

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 53/TT/2018

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

Date of Hearing: 20.9.2018
Date of Order: 8.1.2019

In the matter of:

Approval under regulation-86 of CERC (Conduct of Business) Regulations, 1999 and CERC (Terms and Conditions of Tariff) Regulations, 2014 for determination of Transmission Tariff from DOCO to 31.3.2019 for Asset-I: 06 Nos. of OPGW links under central sector (562.873 Km) Asset-II: 07 Nos. of OPGW links (664.53 Km) and Asset-III: 07 Nos. OPGW links under Central Sector (1076.57 km) under the project Fibre Optic communication system in ER under Expansion of wide-band communication network in Eastern Region.

And in the matter of

Power Grid Corporation of India Limited,
"Saudamani", Plot No.2,
Sector-29, Gurgaon -122 001.....**Petitioner**

Versus

1. NTPC Ltd.
NTPC Bhawan
Core-7, Scope Complex
7, Institutional Area, Lodhi Road
New Delhi – 110003

2. NHPC Ltd
NHPC Office Complex
Lodhi Road
New Delhi

3. DVC Mejia TPS



Mejja Thermal Power Station,
DVC, P.O.
MTPS, Dist Bankura – 722183

4. West Bengal State Electricity Distribution Co. Ltd.
Bidyut Bhawan, 8th floor (A Block)
Block DJ, Salt Lake City
Calcutta - 700 091

5. Bihar State Electricity Board
Vidyut Bhawan, Bailey Road
Patna-800 001

6. Grid Corporation of Orissa Ltd.
Vidyut Bhawan, Janpath,
Bhubaneshwar-751 007

7. Power Department
Govt. of Sikkim, Gangtok-727 102

8. Jharkhand State Electricity Board
Engineering Building
HEC Township
Dhurwa, Ranchi – 834004

9. Damodar Valley Corporation
DVC Tower, VIP Road,
Calcutta - 700 054

10. Powerlinks Transmission Ltd.,
Vidyut Nagar,
P.O. Satellite Township,
Siliguri – 734 015.....**Respondents**

For Petitioner: Shri S.K. Niranjana, PGCIL
 Shri S.K. Venkatesan, PGCIL
 Shri S.S. Raju, PGCIL
 Shri B. Dash, PGCIL
 ShriAmitYadav, PGCIL



ORDER

Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff for Asset-I: 06 Nos. of OPGW links under central sector (562.873 Km) Asset-II: 07 Nos. of OPGW links (664.53 Km) and Asset-III: 07 Nos. OPGW links under Central Sector (1076.57 km) under the project Fibre Optic communication system in ER under Expansion of wide-band communication network in Eastern Region for 2014-19 period in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations").

2. The petitioner has made the following prayer:-

- a) Approve the Transmission Tariff for the tariff block 2014-19 block for the assets covered under this petition.
- b) Admit the capital cost as claimed in the petition and approve the Additional Capitalization incurred / projected to be incurred.
- c) Tariff may be allowed on the estimated completion cost, since few elements of the project are yet to be completed, the completion cost for the assets covered under instant petition are within the overall project cost.
- d) Allow the petitioner to approach Hon'ble Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during period 2014-19.
- e) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum



Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided under clause 25 of the Tariff regulations 2014.

- f) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 52 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, and other expenditure in relation to the filing of petition.
- g) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 52 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.
- h) Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2014-19 period, if any, from the respondents.
- i) Allow tariff up to 90% of the Annual Fixed Charges in accordance with clause 7 (i) of Regulation 7 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for purpose of inclusion in the PoC charges.
- j) Allow the petitioner to bill and recover GST on Transmission charges separately from the respondents, if GST on Transmission of electricity is withdrawn from



the exempted (negative) list at any time in future. Further any taxes and duties including cess, etc. imposed by any Statutory/Govt./Municipal Authorities shall be allowed to be recovered from the beneficiaries.

- k) Allow the petitioner to bill tariff from actual DOCO and pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice

3. The Board of Directors of POWERGRID has accorded Investment approval for Fibre Optic Communication System in lieu of existing ULDC microwave links in Eastern Region at the Estimated Cost of ₹115.80 Crore including IDC of ₹6.54 Crore (at 4th quarter, 2011 price level) in its 270th meeting held on 26.3.2012.

4. The project was discussed and agreed in the 15th ERPC, 16th ERPC, 17th ERPC, 22nd ERPC, 25th ERPC and 31st ERPC meeting and SCM dated 27.8.2013.

5. The broad scope of work under the project Fibre Optic Communication System in ER under expansion of wide-band communication network in Eastern Region is given below:

- (i) Installations of estimated 1159 km of OPGW fibre optic cable on the existing EHV transmission line.
- (ii) Installations of estimated 2500 km of OPGW fibre optic cable on the new/upcoming EHV transmission line.



- (iii) Installation of 53 Nos. terminal equipment for communication based upon Synchronous Digital Hierarchy (SDH) technology shall be installed in the sub-stations of constituents and POWERGRID.
- (iv) Installation of 76 Nos. drop insert multiplexers at wide band nodes.
- (v) Monitor the network, Network management System (NMS) would also be envisaged.
- (vi) 53 Nos. of DC power supplies have been envisaged at all the wide-band location. However, this requirement shall be optimized during detailed engineering.

6. The scope of the work covered under various petitions are as follows:

Asset	COD	Remark
02 Nos. OPGW links under Central Sector (127 km)	1.11.2013	Covered under petition No. 81/TT/2015
03 Nos. OPGW links under Central Sector (170.234 km)	1.3.2014	
11 Nos. of OPGW link under central sector (789.635 km)	1.10.2014	Covered under petition No. 53/TT/2016
03 Nos. OPGW links under Central Sector (112.886 km)	20.4.2015	
05 Nos. OPGW links under Central Sector (527.751 km)	5.1.2016	
Asset-I: 06 Nos. OPGW links under Central Sector (562.873 km)	31.3.2016	Covered under current petition
Asset-II: 07 Nos. OPGW links under Central Sector (664.53 km)	1.3.2017	
Asset-III: 07 Nos. OPGW links under Central Sector (1076.57 km)	31.12.2017 (anticipated)	

7. Transmission Charges were granted for assets under instant petition vide order dated 3.5.2018 under the first proviso to Regulation 7(7) of the 2014 Tariff Regulations, for inclusion in the PoC charges.



Commercial Operation Date (COD):

8. The petitioner vide affidavit dated 14.9.2018 has submitted the status of commissioning of the assets as under:

Asset	Actual/Anticipated COD
<u>Asset-I:</u> 06 Nos. OPGW links under Central Sector (562.873 km)	31.3.2016 (Actual)
<u>Asset-II:</u> 07 Nos. OPGW links under Central Sector (664.53 km)	1.3.2017 (Actual)
<u>Asset-III:</u> 07 Nos. OPGW links under Central Sector (1076.57 km)	1.12.2018 (Anticipated)

9. The petitioner was directed to explain how the assets are being used and whether communication signal has been established. The petitioner vide affidavit dated 18.5.2018 has submitted that the data communication is established and the links are in operation. The communication signal from sending end to the receiving end is taking place and the assets are being used.

10. In support of commercial operation, the petitioner has submitted RLDC Certificate and self-declaration COD certificate. The details of RLDC certificate submitted by the petitioner is as follows:

Asset Name	Name of the Equipment	Date of commissioning of Communication Link
Asset-I	Jamshedpur-Baripada (140.967 KM)	5.3.2016
	Binaguri-Kishanganj (98.6 KM)	7.3.2016
	Dalkhola-Kishanganj (30.985 KM)	14.3.2016
	Binaguri-Rangpo (107.31 KM)	21.3.2016
	Rangpo-Teesta (13.18 KM)	26.3.2016
	Maithon-Kahalgaon (171.827 KM)	19.3.2016
	(i)Baripada-Keonjhar (157.54 KM)	27.2.2017



Asset-II	(ii)Birpara-Alipurduar (59.184 KM)	27.2.2017
	(iii)Angul-Bolangir (200.64 KM)	27.2.2017
	(iv)Gaya-Chandwa (117.129 KM)	14.6.2017
	(v)Purnea 400-Purnea 220 (1.99 KM)	27.2.2017
	(vi)Rengali-Keonjhar (100.25 KM)	27.2.2017
	(vii)Uttara (Pandiabili)-Mendhasal (27.797 KM)	27.2.2017

11. We have considered the submissions of the petitioner. The OPGW links associated with Asset-I has been commissioned on 5.3.2016, 7.3.2016, 14.3.2016, 21.3.2016, 26.3.2016 and 19.3.2016. The petitioner has claimed COD as 31.3.2016. By taking into consideration of the RLDC certificate, the COD of the Asset-I have been considered as 31.3.2016.

12. With respect to Asset-II, it is observed that various OPGW links are commissioned on 27.2.2017 and 14.6.2017. The petitioner has claimed COD of the Asset-II as 1.3.2017. The petitioner has not clarified as to why the COD of the asset has been claimed as 1.3.2017 when one of the OPGW link i.e. Gaya-Chandwa (sl. no. iv above) was commissioned on 14.6.2017. In absence of the same, the COD of Gaya-Chandwa pertains to Asset-II is considered as 14.6.2017. The other OPGW links viz. (i),(ii),(iii),(v),(vi) and (vii) are commissioned on 27.2.2017 and the COD of these links considered as 1.3.2017 as claimed by the petitioner.

13. With respect to Asset-III, it is observed that the asset is not commissioned yet. Therefore, the petitioner is directed to file separate petition on actual commissioning of the Asset. Hence, Asset-III is not considered for grant of tariff in the instant petition.

14. The COD approved for granting of tariff for the assets covered in the instant



petition are as follows:

Asset Name	Date of commissioning of Communication Link
Asset-I	31.3.2016
Asset-II (a): i)Baripada-Keonjhar (157.54 KM) (ii)Birpara-Alipurduar (59.184 KM) (iii)Angul-Bolangir (200.64 KM) (v)Purnea 400-Purnea 220 (1.99 KM) (vi)Rengali-Keonjhar (100.25 KM) (vii)Uttara (Pandiabili)-Mendhasal (27.797 KM)	1.3.2017
Asset-II(b) (iv)Gaya-Chandwa (117.129 KM)	14.6.2017

15. In absence of any other source, all the cost i.e. Capital cost, IDC, IEDC, additional capitalization, O & M Expenses etc. of Asset-II has been apportioned into Asset-II (a) and Asset-II (b) in proportion to length of OPGW links(547.401:117.129) for the purpose of tariff, which are as follows:

	Length in Kms.	
	Asset-II (a) COD-01-03-2017	Asset-II (b) COD-14-06-2017
(i)Baripada-Keonjhar	157.540	-
(ii)Birpara-Alipurduar	59.184	-
(iii)Angul-Bolangir	200.640	-
(iv)Gaya-Chandwa	-	117.129
(v)Purnea 400-Purnea 220	1.990	-
(vi)Rengali-Keonjhar	100.250	-
(vii)Uttara (Pandiabili)-Mendhasal	27.797	-
TOTAL	547.401	117.129

Time overrun:

16. As per the investment approval, the commissioning schedule of the project was 30 months from the date of investment approval. The investment approval was accorded on 27.3.2012 and the schedule date of commercial operation was



27.9.2014 against which Assets I, II (a) and II (b) were put into commercial operation on 31.3.2016, 1.3.2017 and 14.6.2017 respectively. Thus, there is a delay of 551days, 886 days and 991 days in commissioning of Asset-I, II (a) and II (b) respectively.

17. The petitioner has submitted the reasons for time delay for Asset-I and Asset-II and the same are as follows:

Asset-I:

18. The petitioner has submitted that the delay in commissioning of the Asset-I is mainly due to ROW problem at several locations during installation of OPGW cable and non-availability of PTW/Shut down from grid operators. There is considerable amount of delay due to corresponding delay in construction of the main transmission line itself owing to reasons like delayed forest clearance, ROW problem, etc. The petitioner vide affidavit dated 18.5.2018 has submitted that the delay of 18 months in the commissioning of Asset-I is mainly on account of delay in completion of their respective transmission lines. With respect to Asset-I, 06 nos. OPGW links commissioned on 31.3.2016 and have been installed on the following transmission lines:

Sl. No.	OPGW Link	Line length (Km)	Transmission Line
1	Jamshedpur-Baripada	140.967	400kV Jamshedpur-Baripada TL
2	Binaguri-Kishanganj	98.6	400kV Binaguri-Kishanganj TL
3	Dalkhola-Kishanganj	30.985	220kV Dalkhola-Kishanganj
4	Binaguri-Rangpo	107.31	400kV Binaguri-Rangpo TL
5	Rangpo-Teesta	13.18	400kV Rangpo-Teesta TL
6	Maithon-Kahalgaon	171.827	400kV Maithon-Kahalgaon TL



(i) From the above table, it is observed that two nos. OPGW links (Sl. No. 2 & 3) commissioned on 31.3.2016 were installed on 400 kV Binaguri-Kishanganj and 220 kV Dalkhola-Kishanganj transmission line. The delay in commissioning of these 02 nos. links is due to delay in completion of their respective associated transmission lines.

19. These transmission lines had been commissioned w.e.f. 18.3.2016 and had been covered under the scope of "Sikkim Part-A" project in Eastern Region. The tariff petition for these lines was filed under petition no. 258/TT/2015. There has been inordinate delay of more than 38 months in completion of these lines with DOCO on 18.3.2016.

20. The delay in execution of these 02 lines was because of various factors viz. delay in finalization of land for Kishanganj Sub-station, severe ROW issues arose during line construction and led to delay in transportation of equipment. These reasons for delay as mentioned here had been condoned by the Commission vide order dated 26.5.2016 in petition no. 258/TT/2015.

21. The petitioner has submitted that the OPGW expansion works could be accomplished only after the completion of these main transmission lines. Therefore, the delay beyond the completion schedule of OPGW expansion project (i.e. delay period after schedule completion date 27.9.2014) till completion of main lines on 18.3.2016 was as a result of unforeseen delay in the completion of the main



transmission line.

Asset-II: 07 Nos. links under Central Sector (664.53 km) {Delay of 29 months}

22. The petitioner has submitted that the delay of 29 months in the commissioning of Asset-II is mainly on account of delay due to ROW faced during OPGW expansion works or due to delay in completion of their respective transmission lines. These 07 Nos. OPGW links, commissioned on 1.3.2017, have been installed on the following transmission lines:

Sl No.	Name of associated Transmission line	Kms
1	Baripada – Keonjhar	157.54
2	Birpara - Alipurduar	59.184
3	Angul - Bolangir	200.64
4	Gaya – Chandwa	117.129
5	Purnea 400 – Purnea 220	1.99
6	Rengali - Keonjhar	100.25
7	Pandiabilli – Mendhasal	27.797

23. It has submitted that delay for Gaya-Chandwa and Pandiabilli-Mendhasal line has already been condoned in petition no. 90/TT/2016 & 278/TT/2015 respectively.

A. OPGW link installed on 400kV Baripada-Keonjhar and 400 kV Rengali-Keonjhar transmission lines,

24. The petitioner has submitted that severe ROW had been encountered while carrying out the OPGW expansion works on the respective main lines and persisted without fail for major part of 2016. Despite the support from the administration and district authorities, the ROW issue continued for the whole of 2016, thereby bringing the OPGW works to complete halt. The petitioner has submitted the chronology of the activities from 15.3.2016 to 27.12.2016.



Date	Remarks
15.03.2016	Letter to Superintendent of Police (SP), Keonjhar, requesting him of administrative support against ROW problem created by villagers at Loc. 5/0 to 4/0.
15.03.2016	Letter to Collector cum District Magistrate, Keonjhar, requesting him of administrative support against ROW problem created by villagers at Loc. 5/0 to 4/0.
21.03.2016	Letter from Additional DM, Keonjhar to Block Development Officer (BDO), Keonjhar, directing him to provide necessary assistance to POWERGRID against ROW problem created by villagers at Loc. 5/0 to 4/0.
31.03.2016	Letter to Collector cum District Magistrate, Keonjhar, requesting him of administrative support against ROW problem created by villagers at Loc. 5/0 to 4/0.
09.05.2016	Letter to Superintendent of Police (SP), Keonjhar, requesting him for deployment of police personnel to POWERGRID against ROW problem created by villagers at Loc. 5/0 to 4/0.
04.07.2016	Letter to Collector cum District Magistrate, Keonjhar, requesting him for deployment of police personnel to support POWERGRID against ROW problem created by villagers at Loc. 5/0 to 4/0.
21.10.2016	Letter to Superintendent of Police (SP), Keonjhar, requesting him for deployment of police personnel to support POWERGRID against ROW problem created by villagers.
21.11.2016	Letter to Superintendent of Police (SP), Keonjhar, requesting him for deployment of police personnel to support POWERGRID against ROW problem created by villagers.
03.12.2016	Letter to Superintendent of Police (SP), Keonjhar, requesting him for deployment of police personnel to assist POWERGRID against ROW problem created by villagers.
19.12.2016	Letter to Superintendent of Police (SP), Keonjhar, requesting him for deployment of additional police personnel to assist POWERGRID against ROW problem created by villagers.
27.12.2016	Letter to Superintendent of Police (SP), Keonjhar, requesting him for deployment of additional police personnel to assist POWERGRID against ROW problem created by villagers.

The petitioner also submitted that around 12 months of delay due to ROW problems in installation of OPGW works.

B. OPGW link installed on 220kV Birpara–Alipurduar transmission line.

The petitioner has submitted that the delay in commissioning of the OPGW expansion works carried out on the main transmission line (220 kV Birpara-



Alipurduar) is primarily due to delay in completion of the main transmission line itself which is covered under the scope of transmission system for development of pooling station in Northern part of West Bengal and transfer of power from Bhutan to NR/WR project. There has been inordinate delay (of 22 months) in completion of this line (charged on 20.11.2016) w.r.t its scheduled completion of 15.1.2015.

25. The petitioner has submitted that the said delay has been explained in petition No. 198/TT/2017 as detailed below:

(i) Delay in acquisition of land for ± 800 kV HVDC Alipurduar Sub-station:

26. Land acquisition process was started in the year 2009, about 5 months before the investment approval to minimize the time and to ensure speedy execution. However, because of the reasons beyond the control of POWERGRID, the formal land allocation completed only in May 2014. About 180 acres of land was initially selected for acquisition for Alipurduar sub-station. The selected land fell in two districts of West Bengal i.e. in Coochbehar (about 93 acres) and Jalpaiguri (about 87 acres) districts. Requisition for acquisition of land was submitted to District Authorities of Coochbehar and Jalpaiguri in Feb, 2010. Subsequently, petitioner's application was forwarded by the District Authorities to State Secretariat for administrative approval and authentication of Notification of Section-IV. The approval of the State Cabinet for acquiring the land was accorded in December,



2010. The petitioner along with State land acquisition branch of West Bengal Government, visited the marked land several times between March'10 and August'11 for conducting survey but, faced severe resistance from land owners and agitation by local farmers and was thus, unable to conduct the PIR. Several local newspaper cuttings are enclosed to show the severity of agitation faced by POWERGRID. Repeated follow up at all levels of Authorities of State Government did not yield any fruitful result for possession of land through land acquisition process.

27. A Joint meeting between the petitioner, State land acquisition branch of West Bengal Govt. and concerned farmers was again held on 12.8.2011 to resolve the issues but nothing fruitful came out of it.

28. Additional District Magistrate vide letter dated 26.08.2011 expressed the view that land acquisition at subject locations will be very hard. Because of persisting severe agitation, the local authority vide letter dated 9.9.2011 requested the petitioner to identify alternate choice of land and submit fresh proposal.

29. It has submitted that due to severe agitation and RoW issues, all exercise related to land acquisition undertaken by the petitioner from Nov'09 to Sep'11 was rendered futile.



30. Thereafter, Minister-in-Charge, North Bengal Development Department in the meeting held on September, 2011, suggested for direct purchase of alternate site and also assured necessary support from District Authorities in view of absence of consensus of the associated land owners. Accordingly, an alternate site was selected about 40 kms from earlier identified land.

31. About 177.37 acres of land (176.11 acres of private land and 1.26 acres of Government land) was identified in the state of West Bengal in September, 2011. The petitioner initiated the process of land acquisition. However, at that time required land was beyond the permissible ceiling limit as per the new West Bengal Land Reforms Act notified in July 2012. After taking up the matter with District Authorities of concerned districts, the petitioner, as advised, took the matter up with the State Administration for waiver amendment regarding "Holding of land in excess of ceiling limit" in West Bengal Land Reform rule which was notified by State Government in July 2012.

32. Due to this limitation in Land act, there was no progress during the period of Sep 2011 to July 2012. Subsequent to waiver amendment regarding "Holding of land in excess of ceiling limit" in West Bengal Land Reform rule, the petitioner had to file a fresh application as per the amended act which POWERGRID filed in August 2012. After that State Govt. approval was received on November 08, 2012. Subsequently, the process of taking the possession of land started which consist of identification, registration, stamp duty, rehabilitation (in case of Tribal land).



33. The instant land includes tribal land and Barga land belonging to more than 300 land owners. The transfer of land was a cumbersome process as there was mismatch in land records and actual possession of plots. The petitioner had to carry out updation of land records even after prior permission of State Govt. Thereafter, notices in newspapers were published based on latest records as was available at land offices. The petitioner had to seek prior permission of BCW for 4 plots of tribal community and annulment of Patta land. For the transfer and possession of land, the petitioner had to carry out following activities for each land owner: Collection and searching of all chain deeds from the land owners/revenue dept. & if necessary in courts and issuance of non-encumbrance certificates, Collection of up to date Khatian & latest rent receipt, Verification of possession, measurement of plot & making sketch map, Clearance certificate if bank loan is taken against mortgaged land, Verification of latest rent receipt from land offices, taking affidavit from the land owners, settlement between land owners & share croppers (Bargadar) wherever bargadar is recorded, detection of wrongly recorded Bargadar in some cases and settlement of family disputes in some undivided ancestral properties in some cases. Only after completion of these processes and with last major registration for homestead land after settlement of compensation of standing properties by District authorities, the petitioner took possession of the land between May and July, 2014. Thus, the process of land acquisition almost took about 53 months. The petitioner



has submitted detailed chronology of events related to land acquisition at Alipurduar HVDC Terminal Station.

(ii) Intense RoW issues & Court Cases:

After acquisition of land for construction of Alipurduar sub-station, the construction works further got delayed due to severe RoW issues and obstruction by local villagers at various locations of the transmission lines under the project. Construction activities were badly hampered since June, 2014. RoW problem persisted mainly in West Bengal portion wherein landowners have come forward in organized manner physically stopping works of the line in numerous occasions and demanding exorbitantly high compensation. The petitioner had approached the District Administration on several occasion for early resolution of the issues and with their help, work was taken up in the unaffected areas. The RoW problems in the line section largely impacted the pace of work and at times remained standstill/idle. The petitioner has to face severe contractual issues due to frequent mobilization/demobilization of labour.

34. The issue of severe RoW issues was also discussed by Project Monitoring Group (PMG) with West Bengal, under the Chairmanship of the Chief Secretary, Government of West Bengal on 8.11.2016 and necessary support was requested from State Administration to expeditiously resolve the pending RoW issue.

35. In the meanwhile, court case was also filed by a land owner on 19th June, 2015 against construction works of LILO of Bongaigaon – Siliguri 400 kV D/C line (quad) at new pooling station in Alipurduar demanding higher compensation. The



petition was rejected by Court in February, 2016. Thereafter, works in that location has been completed with the help of police protection.

36. The line is anticipated to be commissioned in month of April'17 by resolving the RoW issues. There had been number of occasions of physical violence towards the personnel of the petitioner and contractors at site. Though security had been provided from Government's side, the same was not found to be effective. Due to frequent stoppages of work, gangs deployed by the contractor had to remain idle for days together due to RoW problems at locations. Frequent Mobilization and demobilization of gangs slowed down the works which led to contractual issues. The petitioner has submitted various letters which were written to State Administration for help and protection of personnel and tools.

(iii) Floods & heavy rains:

37. Due to heavy rains in the month of June and July, 2016 flood like situation prevailed in Alipurduar area. The rains were recorded as the highest for last 20 years which has severely affected about 240 nearby villages. All the working areas were submerged and work could only be started after August, 2016.

38. Various reasons, mainly late receipt of land at Alipurduar, Earth Electrode station land at Agra and Alipurduar, severe RoW problems in construction of Transmission line, led to the delay in completion of the project. It is also to be appreciated that different types of problems were encountered by the petitioner simultaneously, bringing the work to a complete halt on many occasions.



39. Though the various problems occurring concurrently could have delayed the project enormously, but the experience and expertise of the petitioner in project planning and execution curtailed the delay to 22 months only. Thereafter, the line was charged by Nov'2016.

40. Since the OPGW expansion works could be accomplished after the completion of this main transmission line, therefore, the delay beyond the completion schedule of OPGW expansion project (i.e. delay period after schedule completion date 27.9.2014) till completion of main line on 12.7.2016 was as a result of unforeseen delay of 22 months in the completion of the main transmission line. Beyond the completion and charging of main line, it took mere 03 months for the balance OPGW expansion works to be completed on 220kV Birpara – Alipurduar transmission line.

C. OPGW link installed on Gaya – Chandwa transmission line:

41. There has been inordinate delay of 31.5 months in completion of this line (COD on 12.7.2016) w.r.t its scheduled completion of 24th Nov'2013. The delay in execution of this main line is because of various factors viz. lingering forest clearance and subsequent activities, Naxal / law and order related disturbances and delay in getting possession of land for Chandwa sub-station.

42. The reasons for delay as mentioned above had been condoned by the Hon'ble Commission vide order dated 29.7.2016 in petition no. 90/TT/2016. The decision based on the submission made by petitioner is quoted as below:

Para 27



“We have considered the submission of the petitioner. The time over-run is on account of getting forest clearance, land acquisition and ROW issues. The time consumed on account of forest clearance was 42 months from the date of investment approval which is 25.10.2011. The delay due to Maoist activities and law and order issues in Jharkhand and RoW problems started on 3.9.2012 and continued till 24.6.2016. The time consumed on account of land acquisition was 36 months. We have gone through the submissions of the petitioner and are of the view that the time over-run of 31 months and 18 days in commissioning of the Asset is beyond the control of the petitioner and it cannot be attributed to the petitioner. Accordingly, the time over-run in case of the instant asset is condoned and accordingly IDC and IEDC for the delay are allowed to be capitalized”.

43. Since, the OPGW expansion works could be accomplished after the completion of this main transmission line, therefore, the delay beyond the completion schedule of OPGW expansion project (i.e. delay period after schedule completion date 27.9.2014) till completion of main line on 12.7.2016 was as a result of unforeseen delay of 22 months in the completion of the main transmission line. Further, beyond the commissioning date of line, it took around 8 months for the balance OPGW expansion works to be completed on the ROW/Maoist affected portion of the Gaya – Chandwa transmission line.



D. OPGW link installed on Pandiabilli – Mendhasal transmission line.

44. The petitioner has submitted that there has been inordinate delay (of 44 months) in completion of this line (COD on 30.7.2016) w.r.t its scheduled completion of 1.12.2012. The delay in execution of this main line is because of various factors viz. change in scope of project, lingering forest clearance and subsequent activities, shut down approval, ROW and order related disturbances and delay in getting possession of land. The reasons for delay as mentioned above had been condoned by the Commission vide order dated 20.9.2017 in petition no. 278/TT/2015. The delay beyond the completion schedule of OPGW expansion project (i.e. delay period after schedule completion date 27.9.2014) till completion of main line on 30.7.2016 was as a result of unforeseen delay of 44 months in the completion of the main transmission line. Beyond the completion and charging of main line, it took mere 6 months for the balance OPGW expansion works to be completed on 400 kV Pandiabilli - Mendhasal transmission line.

45. The Commission vide provisional order dated 3.5.2018 has directed the petitioner to submit details of time over-run and chronology of activities along with documentary proof in the prescribed format. In response, the petitioner vide affidavit dated 18.5.2018 has reiterated the submissions made in the main petition.

46. We have considered the submissions of the petitioner. As per the Investment Approval dated 27.3.2012, the scheduled COD was 27.9.2014. The COD of the



Asset-I has been approved as 31.3.2016, hence there is delay of about 551 days in commissioning of the Asset-I. The petitioner has submitted that Asset-I is delayed on account of delay in completion of their respective transmission lines. As per the submissions of the petitioner, 6 No of OPGW links are covered under Asset-I. Out of the six(6) No. of OPGW links, two links were commissioned on 31.3.2016 and 2 Nos. of OPGW links were installed on 400 kV Binaguri-Kishanganj transmission line and 220 kV Dalkhola-Kishanganj line. The petitioner has submitted that the transmission lines viz. 400 kV Binaguri-Kishanganj transmission line and 220 kV Dalkhola-Kishanganj line were commissioned on 18.3.2016 and the petitioner filed for tariff approval under petition No 258/TT/2015. The petitioner has submitted that the delay in execution of these two lines was because of various factors viz. delay in finalization of land for Kishanganj Sub-station, severe ROW during line construction and delay in transportation of equipments. The petitioner has submitted that the Hon'ble Commission vide order dated 26.5.2016 in petition no. 258/TT/2015 has condoned the delay in COD of transmission line.

47. We have gone through the submissions of the petitioner. With regard to delay in Asset-I, the petitioner has referred to petition No 258/TT/2015. We note that in petition No 258/TT/2015 the petitioner has accorded Investment Approval (IA) on 28.5.2010 and scheduled to be commissioned on 32 months from the date of I.A. i.e. 28.1.2013. In the instant petition, the petitioner was accorded Investment Approval on 28.5.2010 and scheduled to be commissioned within 30 months from



I.A. i.e. 28.9.2014. It is observed from the submissions of the petitioner that it is not clear how the petitioner can commission the transmission line and OPGW fibre optic cable on new transmission with different time schedule of commissioning from I.A. The Commission specifically directed the petitioner to submit the details of time over-run and chronology of activities along with documentary evidence in the prescribed format. The petitioner has not submitted the chronology of the activity. We hold that the delay of 551 days for commissioning of the Asset-I was not beyond the control of the petitioner and thus, not condoned. The petitioner is at liberty to approach the Commission with link wise delay reasons at the time of truing-up and the same will be reviewed then.

48. The COD of the Asset-II (a) has been considered as 1.3.2017 and Asset-II (b) has been considered as 14.6.2017. Hence there is a delay of 886 days and 991 days respectively in commissioning of Asset-II (a) and Asset-II (b). The petitioner has submitted that the Asset-II is delayed due to RoW problems/issues at several locations during installation of OPGW cable and non availability of PTW/Shutdown from grid operators. The petitioner also submitted that considerable amount of delay occurred due to corresponding delay in construction of the main transmission line itself owing to reasons like delayed forest clearance, RoW problem etc. As per the submissions of the petitioner Seven(7) no. of OPGW links are covered under Asset-II and the OPGW links are installed on the following transmission lines:

Sl No.	Name of associated Transmission line
1	Baripada – Keonjhar



2	Birpara–Alipurduar
3	Angul - Bolangir
4	Gaya – Chandwa
5	Purnea 400 – Purnea 220
6	Rengali - Keonjhar
7	Pandiabilli – Mendhasal

49. The petitioner has referred three No of petitions i.e. 278/TT/2015, 90/TT/2016 198/TT/2017 and submitted that the delay in transmission lines already condoned by commission in respective petitions and the delay of transmission lines led to delay in commissioning of Asset-II (a) and Asset-II(b). The time schedule planned for commissioning of above mentioned petitions is as follows:

Petition No & order date	I.A	SCOD
278/TT/2015 & 20.9.2017	7.7.2010	1.12.2012
90/TT/2016 & 29.7.2016	25.10.2011	24.11.2013.
198/TT/2017	15.4.2010	15.1.2015

50. In the instant petition, the petitioner was accorded Investment Approval on 28.5.2010 and scheduled to be commissioned within 30 months from I.A. i.e. 28.9.2014. It is not clear from the submissions of the petitioner, how the petitioner can commission the transmission line and OPGW fibre optic cable on new transmission with different time schedules. The Commission specifically directed the petitioner to submit the details of time over-run and chronology of activities alongwith documentary evidence in the prescribed format. The petitioner has not submitted the chronology of the activity. We hold that the delay of 551 days for



commissioning of the Asset-I was not beyond the control of the petitioner and thus, is not condoned. The petitioner is however, at liberty to approach the Commission with link wise reasons for delay at the time of truing-up for review by the Commission.

Capital Cost

51. The petitioner vide Auditor's Certificate dated 8.6.2016 and 5.5.2017 has submitted the details of capital cost as on the date of commercial operation (COD) and estimated additional capital expenditure incurred or projected to be incurred for the instant assets. The details as submitted by the petitioner and considered for the purpose of tariff are as follows:

(₹ in Lakhs)

Asset	Approved apportioned cost	Expenditure upto COD	Additional Capital expenditure			Total
			2016-17	2017-18	2018-19	
Asset-I	1471.00	861.71	471.24	265.08	--	1598.03
Asset-II	1947.71	1562.27	--	329.16	300.00	2191.43

52. The estimated completion cost of the Asset-I is ₹1598.03 Lakh and Asset-II is ₹2191.43 Lakhs which is higher than the approved apportioned cost for the Asset-I and Asset-II of ₹1471.00 Lakh and ₹1947.71 Lakh respectively.

53. The details of capital cost allowed as on DOCO, restricted to respective approved apportioned cost, are as follows:-



(₹ in lakh)

Asset	Approved apportioned cost	Expenditure upto COD before adjustment of IEDC/IDC and Initial spares, if any, as on DOCO	Additional Capital expenditure			Total
			2016-17	2017-18	2018-19	
Asset-I	1471.00	861.71	471.24	138.05	--	1471.00
Asset-II	1947.71	1562.27	--	329.16	56.28	1947.71

Interest During Construction (IDC)

54. The petitioner has claimed IDC of ₹20.45 lakhs and ₹166.74 lakhs for Asset-I and Asset-II respectively. The IDC claimed for Asset-II has been apportioned into Asset-II (a) and Asset-II (b) according to length (OPGW). Since there is time overrun which is not condoned, the IDC has been allowed up to SCOD (27-09-2014) only.

55. The IDC considered as on COD for the purpose of tariff determination is as below:-

(₹ in lakh)

Asset	IDC claimed	IDC disallowed (on account of time overrun not condoned)	IDC allowed up to SCOD
Asset-I	20.45	20.45	*0.00
Asset-II (a)	137.35	135.76	1.60
Asset-II (b)	29.39	29.05	0.34

*Since the drawl of loan in respect of Asset-I as submitted by the petitioner in IDC statement (vide affidavit dated 1.1.2018) was after SCOD 27-09-2014, hence no IDC is allowed.



Incidental Expenditure During Construction (IEDC)

56. The petitioner has claimed ₹8.33 lakh and ₹22.63 lakh towards IEDC for Asset-I and Asset-II respectively which are within the percentage on hard cost as indicated in the abstract cost estimate (10.75%). The IEDC claimed for Asset-II has been apportioned into Asset-II (a) and Asset-II (b) according to length (OPGW). Since there is time overrun which is not condoned, the IEDC has been allowed proportionately up to SCOD (27-09-2014) only.

57. The IEDC considered up to SCOD for the purpose of tariff determination is as below:-

(₹ in lakh)

Asset	IEDC claimed	Time Overrun disallowed/ Total completion period (in number of days)	IEDC disallowed (on account of time overrun not condoned)	IEDC allowed up to SCOD
Asset-I	8.33	551/1465	3.13	5.20
Asset-II (a)	18.64	886/1800	9.18	9.47
Asset-II (b)	3.99	991/1905	2.07	1.91

Treatment of initial spares

58. The Initial spares claimed by the petitioner are 0.81 % and 3.19% of the total cost. The initial spare claimed by the petitioner are within the limit specified in Regulation 13 of 2014 Tariff Regulations and hence, the same is allowed. The details of initial spares claimed and allowed are as follows:

(₹ in lakh)

Asset Name	Total estimated cost	Initial Spares claimed and allowed
Asset-I	1598.03	13.00
Asset-II	2191.43	70.02



Capital Cost as on COD

59. The Capital cost claimed for Asset-II has been apportioned into Asset-II (a) and Asset-II (b) according to length (OPGW). The details of the capital cost considered as on COD after making the necessary adjustments in capital expenditure in respect of IDC and IEDC is as follows:-

(₹ in lakh)

Asset	Capital cost as on COD claimed by the petitioner	IDC disallowed	IEDC disallowed	Initial spares disallowed	Capital cost as on COD considered for tariff calculation
Asset-I	861.71	20.45	3.13	0.00	838.13
Asset-II (a)	1286.91	135.76	9.18	0.00	1141.98
Asset-II (b)	275.36	29.05	2.07	0.00	244.24

Capital cost as on 31.3.2019

60. Detail of the capital cost considered as on 31.3.2019 is as follows:-

(₹ in lakh)

Asset	Expenditure upto COD	Additional Capital expenditure			Capital cost as on 31.3.2019
		2016-17	2017-18	2018-19	
Asset-I	838.13	471.24	138.05	--	1447.42
Asset-II (a)	1141.98	--	271.14	46.36	1459.48
Asset-II (b)	244.24	--	58.02	9.92	312.18

Debt- equity ratio

61. Debt-equity ratio is allowed for the instant assets in terms of Regulation 19 of the 2014 Tariff Regulations.

62. Details of debt-equity in respect of the assets as on the date of commercial



operation are as follows:-

(₹in lakh)				
Particulars	%	Asset-I	Asset-II (a)	Asset-II (b)
Debt	70.00	586.69	799.39	170.97
Equity	30.00	251.44	342.59	73.27
Total	100.00	838.13	1141.98	244.24

63. Details of debt-equity in respect of the assets as on 31.3.2019 are as follows:-

(₹in lakh)				
Particulars	%	Asset-I	Asset-II (a)	Asset-II (b)
Debt	70.00	1013.19	1021.64	218.53
Equity	30.00	434.23	437.84	93.65
Total	100.00	1447.42	1459.48	312.18

Return on equity

64. Return on equity is allowed for the instant assets in terms of Regulation 24 and 25 of the 2014 Tariff Regulations.

65. The petitioner has further submitted that adjustment due to any additional tax demand including interest duly adjusted for any refund of the tax including interest received from IT authorities shall be recoverable/adjustable after completion of income tax assessment of the financial year.

66. We have computed ROE at the rate of 19.610% for tariff period 2014-19 after grossing up the ROE with MAT rate as per the above Regulation. Regulation 24 read with Regulation 25 of the 2014 Tariff Regulations provides for grossing up of



return on equity with the effective tax rate for the purpose of return on equity. It further provides that in case the generating company or transmission licensee is paying Minimum Alternative Tax (MAT), the MAT rate including surcharge and cess will be considered for the grossing up of return on equity. The petitioner has submitted that MAT rate is applicable to the petitioner's company. Accordingly, the MAT rate applicable during 2013-14 has been considered for the purpose of return on equity, which shall be trued up with actual tax rate in accordance with Regulation 25 (3) of the 2014 Tariff Regulations. Accordingly, the ROE allowed is given below:-

Asset-I

(₹in lakh)				
Particulars	2015-16	2016-17	2017-18	2018-19
Opening Equity	251.44	251.44	392.81	434.23
Addition due to Additional Capitalization	0.00	141.37	41.42	0.00
Closing Equity	251.44	392.81	434.23	434.23
Average Equity	251.44	322.12	413.52	434.23
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%
Tax rate (MAT for 2013-14)	20.96%	20.96%	20.96%	20.96%
Rate of Return on Equity (Pre Tax)	19.610%	19.610%	19.610%	19.610%
Return on Equity (Pre Tax)	0.14	63.17	81.09	85.15

Asset-II (a)

(₹in lakh)			
Particulars	2016-17	2017-18	2018-19
Opening Equity	342.59	342.59	423.94
Addition due to Additional Capitalization	0.00	81.34	13.91
Closing Equity	342.59	423.94	437.84
Average Equity	342.59	383.26	430.89
Return on Equity (Base Rate)	15.50%	15.50%	15.50%
Tax rate (MAT for 2013-14)	20.96%	20.96%	20.96%
Rate of Return on Equity (Pre Tax)	19.610%	19.610%	19.610%
Return on Equity (Pre Tax)	5.71	75.16	84.50



Asset-II (b)

(₹in lakh)

Particulars	2017-18	2018-19
Opening Equity	73.27	90.68
Addition due to Additional Capitalization	17.41	2.98
Closing Equity	90.68	93.65
Average Equity	81.97	92.17
Return on Equity (Base Rate)	15.50%	15.50%
Tax rate (MAT for 2013-14)	20.96%	20.96%
Rate of Return on Equity (Pre Tax)	19.610%	19.610%
Return on Equity (Pre Tax)	12.82	18.07

Interest on loan

67. Interest on Loan is allowed for the instant assets in terms of Regulation 26 of the 2014 Tariff Regulations.

68. In keeping with the provisions of Regulation 26 of the 2014 Tariff Regulations, the petitioner entitlement to interest on loan has been calculated on the following basis:-

- (i) Gross amount of loan, repayment of installments and rate of interest and weighted average rate of interest on actual average loan have been considered as per Form 9C submitted;
- (ii) The normative repayment for the tariff period 2014-19 shall deemed to be equal to the depreciation allowed for that period;
- (iii) Weighted average rate of interest on actual average loan worked out as per (i) above is applied on the notional average loan during the year to arrive at the interest on loan.



69. Based on the above, interest on loan has been calculated as follows:-

Asset-I

(₹in lakh)				
Particulars	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	586.69	586.69	916.56	1013.19
Cumulative Repayment up to Prev. year	0.00	0.15	68.11	155.37
Net Loan-Opening	586.69	586.54	848.44	857.83
Addition due to Additional	0.00	329.87	96.64	0.00
Repayment during the year	0.15	67.97	87.25	91.62
Net Loan-Closing	586.54	848.44	857.83	766.20
Average Loan	586.62	717.49	853.13	812.02
WARI on Loan	9.217%	9.217%	9.217%	9.217%
Interest	0.15	66.13	78.63	74.84

Asset-II (a)

(₹in lakh)			
Particulars	2016-17	2017-18	2018-19
Gross Normative Loan	799.38	799.38	989.18
Cumulative Repayment up to Prev. year	0.00	6.14	87.01
Net Loan-Opening	799.38	793.24	902.17
Addition due to Additional	0.00	189.80	32.45
Repayment during the year	6.14	80.87	90.92
Net Loan-Closing	793.24	902.17	843.71
Average Loan	796.31	847.71	872.94
WARI on Loan	8.584%	8.561%	8.539%
Interest	5.81	72.57	74.54

Asset-II (b)

(₹in lakh)		
Particulars	2017-18	2018-19
Gross Normative Loan	170.97	211.58
Cumulative Repayment up to Prev. year	0.00	13.79
Net Loan-Opening	170.97	197.79
Addition due to Additional	40.61	6.94
Repayment during the year	13.79	19.45
Net Loan-Closing	197.79	185.29
Average Loan	184.38	191.54
WARI on Loan	8.561%	8.539%
Interest	12.58	16.35



Depreciation

70. Depreciation is allowed for the instant assets in terms of Regulation 27 of the 2014 Tariff Regulations.

71. Depreciation has been calculated annually based on Straight Line Method at the rates specified in Appendix-III to the 2014 Tariff Regulations.

72. Based on the above, the depreciation has been considered as follows:-

Asset-I

Particulars	(₹ in lakh)			
	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	838.13	838.13	1309.37	1447.42
Projected Addition during 2014-19	0.00	471.24	138.05	0.00
Closing Gross Block	838.13	1309.37	1447.42	1447.42
Average Gross Block	838.13	1073.75	1378.39	1447.42
Rate of Depreciation	6.33%	6.33%	6.33%	6.33%
Depreciable Value	1508.63	1720.69	1994.87	2056.99
Remaining Depreciable Value	1508.63	1720.54	1926.75	1901.62
Depreciation	0.15	67.97	87.25	91.62

Asset-II (a)

Particulars	(₹ in lakh)		
	2016-17	2017-18	2018-19
Opening Gross Block	1141.98	1141.98	1413.12
Projected Addition during 2014-19	0.00	271.14	46.36
Closing Gross Block	1141.98	1413.12	1459.48
Average Gross Block	1141.98	1277.55	1436.30
Rate of Depreciation	6.33%	6.33%	6.33%
Depreciable Value	2055.56	2177.57	2320.45
Remaining Depreciable Value	2055.56	2171.43	2233.44
Depreciation	6.14	80.87	90.92

Asset-II (b)

Particulars	(₹ in lakh)	
	2017-18	2018-19
Opening Gross Block	244.24	302.26
Projected Addition during 2014-19	58.02	9.92



Closing Gross Block	302.26	312.18
Average Gross Block	273.25	307.22
Rate of Depreciation	6.33%	6.33%
Depreciable Value	465.74	496.31
Remaining Depreciable Value	465.74	482.52
Depreciation	13.79	19.45

Operation & Maintenance Expenses (O&M Expenses)

73. The petitioner vide affidavit dated 4.1.2018 has claimed the O&M Expenses and the same are as follows:

(₹in Lakhs)				
Element	2015-16	2016-17	2017-18	2018-19
Asset-I	0.19	72.63	74.99	77.44
Asset-II	0.00	9.44	117.08	120.97

74. The Commission vide provisional order 03.05.2018 directed the following:

“The petitioner has calculated O&M expenses @ 7.5% of capital cost. The Commission vide order dated 27.1.2017 in petition no. 53/TT/2017 allowed O&M expenses on actual basis for 2014-15 and 2015-16 and for the subsequent years escalated @ 3.32% per year. Explain reasons for claiming @ 7.5% capital cost instead of actual.”

75. In response, the petitioner vide affidavit dated 18.05.2018 has submitted that at the time of filing of instant petition, the details of actual O&M were not available, hence, the O&M expenses for subject assets were initially submitted as calculated @ 7.5% of capital cost as on COD for the subsequent years escalated @ 3.32% per year. Now, the actual O&M for subject commissioned assets for FY 2016-17 and FY 2017-18 are available and claimed on actual basis. Further, O&M expenses for FY 2018-19 are escalated @ 3.32% of previous year and the same are as follows:



(₹in Lakhs)			
Name of Asset	2016-17	2017-18	2018-19
Asset-I	0.15	1.43	1.48
Asset-II	0.19 (for March'2017)	1.82	1.88

76. We have considered the submissions of the petitioner. The O&M expenses claimed by the petitioner for the FYs 2016-17 and 2017-18 are allowed on actual and for FY 2018-19, O&M expenses are allowed after escalating @ 3.32% per year. The COD of the Asset-II has been considered as 14.6.2017, hence O&M expenses calculated on pro-rata basis by considering COD as 14.6.2017. The allowable O&M Expenses for the instant assets are as under:-

(₹in Lakhs)			
Name of Asset	2016-17	2017-18	2018-19
Asset-I(COD: 31.3.16)	0.15	1.43	1.48
Asset-II(COD: 1.3.17)	-	1.82	1.88

Interest on working capital

77. Interest on working capital is allowed for the instant assets in terms of Regulation 28 of the 2014 Tariff Regulations.

78. The petitioner is entitled to claim interest on working capital as per the 2014 Tariff Regulations. The components of the working capital and the petitioner's entitlement to interest thereon are discussed hereunder:-

(i) Receivables

Receivables as a component of working capital will be equivalent to two months fixed cost. The petitioner has claimed the receivables on the basis



of 2 months' annual transmission charges. In the tariff being allowed, receivables have been worked out on the basis of 2 months' transmission charges.

(ii) Maintenance spares

Regulation 28 of the 2014 Tariff Regulations provides for maintenance spares @ 15% per annum of the O&M expenses. The value of maintenance spares has accordingly been worked out.

(iii) O & M expenses

Operation and maintenance expenses have been considered for one month as a component of working capital. The petitioner has claimed O&M expenses for 1 month of the respective year as claimed in the petition. This has been considered in the working capital.

(iv) Rate of interest on working capital

The rate of interest on working capital considered as bank rate as on 1.4.2014 or as on 1st April of the year of COD as per Regulation 28 (3).

79. The interest on working capital as determined is shown in the table given below:-

Asset-I

(₹ in lakh)

Particulars	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	0.00	0.02	0.21	0.22
O & M expenses	0.00	0.01	0.12	0.12
Receivables	0.07	33.66	42.36	43.16
Total	0.07	33.70	42.69	43.51
Interest	0.01	4.55	5.76	5.87



Asset-II (a)**(₹ in lakh)**

Particulars	2016-17	2017-18	2018-19
Maintenance Spares	0.00	0.22	0.23
O & M expenses	0.00	0.12	0.13
Receivables	3.01	39.19	42.84
Total	3.01	39.54	43.20
Interest	0.38	5.06	5.53

Asset-II (b)**(₹ in lakh)**

Particulars	2017-18	2018-19
Maintenance Spares	0.04	0.05
O & M expenses	0.02	0.03
Receivables	6.72	9.23
Total	6.78	9.31
Interest	0.87	1.19

Transmission charges

80. In view of the above, the annual transmission charges being allowed for the instant assets are summarized hereunder:-

Asset-I**(₹ in lakh)**

Particulars	2015-16	2016-17	2017-18	2018-19
Depreciation	0.15	67.97	87.25	91.62
Interest on Loan	0.15	66.13	78.63	74.84
Return on Equity	0.14	63.17	81.09	85.15
Interest on Working Capital	0.01	4.55	5.76	5.87
O & M Expenses	0.00	0.15	1.43	1.48
Total	0.44	201.96	254.17	258.97

Asset-II (a)**(₹ in lakh)**

Particulars	2016-17	2017-18	2018-19
Depreciation	6.14	80.87	90.92
Interest on Loan	5.81	72.57	74.54
Return on Equity	5.71	75.16	84.50
Interest on Working Capital	0.38	5.06	5.53
O & M Expenses	0.00	1.50	1.55
Total	18.04	235.16	257.03



Asset-II (b)

(₹ in lakh)

Particulars	2017-18	2018-19
Depreciation	13.79	19.45
Interest on Loan	12.58	16.35
Return on Equity	12.82	18.07
Interest on Working Capital	0.87	1.19
O & M Expenses	0.26	0.33
Total	40.31	55.40

Filing fee and the publication expenses

81. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses, in terms of Regulation 52 of the 2014 Tariff Regulations. The petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with clause (1) of Regulation 52 of the 2014 Tariff Regulations.

License fee and RLDC Fees and Charges

82. The petitioner has requested to allow the petitioner to bill and recover License fee and RLDC fees and charges, separately from the respondents. We are of the view that the petitioner shall be entitled for reimbursement of licence fee and RLDC fees and charges in accordance with Clause (2)(b) and (2)(a), respectively, of Regulation 52 of the 2014 Tariff Regulations.

Service tax

83. The petitioner has made a prayer to be allowed to bill and recover the service tax on transmission charges separately from the respondents, if at any time service tax on transmission is withdrawn from negative list at any time in future. The



petitioner has further prayed that if any taxes and duties including cess etc. are imposed by any statutory/Government/municipal authorities, it shall be allowed to be recovered from the beneficiaries. Accordingly, the transmission charges is exclusive of service tax and the same shall be borne and additionally paid by the respondents to the petitioner, if at any time service tax on transmission is withdrawn from negative list in future. We consider petitioner's prayer pre-mature and accordingly this prayer is rejected.

Deferred tax liability

84. The petitioner has sought recovery of deferred tax liability before 1.4.2009 from the beneficiaries or long term consumers/ DICs as and when the same gets materialized. However, since, the COD of the asset is in 2017, the claim of the petitioner is not admissible.

Sharing of Transmission Charges

85. The transmission charges shall be recovered on monthly basis in accordance with Regulation 43 of the 2014 Tariff Regulations and shall be shared by the beneficiaries and long term transmission customers in Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.



86. This order disposes of petition No.53/TT/2018.

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

Sd/-
(P.K.Pujari)
Chairperson

