

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 99/TT/2018

Coram:

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

Date of Hearing: 23.10.2018

Date of Order : 29.01.2019

In the matter of:

Approval under Regulation-86 of CERC (Conduct of Business) Regulations'1999 and Regulation-6 of CERC (Terms and Conditions of Tariff) Regulations, 2009 and CERC (Terms and Conditions of Tariff) Regulations' 2014 for determination of (i) Truing up Transmission tariff for 2009-14 tariff block and (ii) Transmission tariff for 2014-19 tariff block for (a) Kalpakkam PFBR-Sirucheru 230 kV D/C Line (b) Kalpakkam PFBR-Arani 230 kV D/C Line under Transmission System associated with Kalpakkam PFBR (500 MW) in Southern Region covered in CERC order dated 29.04.2015 in petition no. 105/TT/2012.

And in the matter of:

POWER GRID CORPORATION OF INDIA LTD.
„SAUDAMINI“, PLOT NO-2,
SECTOR-29, GURGAON -122001(HARYANA).

Versus

1. KARNATAKA POWER TRANSMISSION CORPORATION LTD., (KPTCL),
KAVERI BHAVAN, BANGALORE – 560 009
2. TRANSMISSION CORPORATION OF ANDHRA PRADESH LTD.,
(APTRANSCO), VIDYUT SOUDHA, HYDERABAD – 500 082
3. KERALA STATE ELECTRICITY BOARD (KSEB)
VAIDYUTHI BHAVANAM, PATTOM,
THIRUVANANTHAPURAM – 695 004



4. TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LTD
(FORMERLY TAMILNADU ELECTRICITY BOARD -TNEB)
NPKRR MAALIGAI, 800, ANNA SALAI
CHENNAI – 600 002
5. ELECTRICITY DEPARTMENT
GOVT OF PONDICHERRY,
PONDICHERRY - 605001
6. EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH
LIMITED (APEPDCL)
APEPDCL, P&T COLONY,
SEETHMMADHARA, VISHAKHAPATNAM
ANDHRA PRADESH,
7. SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH
LIMITED (APSPDCL)
SRINIVASASA KALYANA MANDAPAM BACKSIDE,
TIRUCHANOUR ROAD, KESAVAYANA GUNTA,
TIRUPATI-517 501,
CHITTOOR DISTRICT, ANDHRA PRADESH
8. CENTRAL POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH
LIMITED (APCPDCL)
CORPORATE OFFICE, MINT COMPOUND,
HYDERABAD – 500 063
ANDHRA PRADESH
9. NORTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH
LIMITED (APNPDCL),
OPP. NIT PETROL PUMP
CHAITANYAPURI, KAZIPET,
WARANGAL – 506 004
ANDHRA PRADESH
10. BANGALORE ELECTRICITY SUPPLY COMPANY LTD., (BESCOM),
CORPORATE OFFICE, K.R.CIRCLE
BANGALORE – 560 001
KARNATAKA
11. GULBARGA ELECTRICITY SUPPLY COMPANY LTD., (GESCOM)
STATION MAIN ROAD, GULBURGA
KARNATAKA



12. HUBLI ELECTRICITY SUPPLY COMPANY LTD., (HESCOM)
NAVANAGAR, PB ROAD, HUBLI, KARNATAKA
13. MESCOM CORPORATE OFFICE,
PARADIGM PLAZA, AB SHETTY CIRCLE
MANGALORE – 575 001
KARNATAKA
14. CHAMUNDESWARI ELECTRICITY SUPPLY CORPORATION LTD., (CESC)
927,L J AVENUE
GROUND FLOOR, NEW KANTHARAJ URS ROAD
SARASWATIPURAM, MYSORE – 570 009
KARNATAKA
15. ELECTRICITY DEPARTMENT
GOVT. OF GOA, VIDYUTI BHAWAN,
PANAJI, GOA - 403 001
16. TRANSMISSION CORPORATION OF TELANGANA LIMITED,
VIDHYUT SUDHA, KHAIRATABAD,
HYDERABAD, 500082
17. BHARATIYA NABHIKIYA VIDYUT NIGAM LIMITED,
(BHAVINI), KALPAKKAM – 603102.

.....RESPONDENTS

Present Parties: Shri S. K. Venkatesan, PGCIL
 Shri S. S. Raju, PGCIL
 Shri V. P. Rastogi, PGCIL
 Shri Aryaman Saxena, PGCIL

ORDER

The present petition has been filed by Power Grid Corporation of India Ltd. (“the petitioner”) for truing up of capital expenditure and tariff for assets (02 Nos) for the period from COD to 31.03.2014 and capital expenditure & tariff for 2014-19 period. The details of the project and the assets covered in the instant petition are given below:-



i) Project Details

Project	Transmission System associated with Kalpakkam PFBR (500 MW) in Southern Region.		
Investment Approval	The investment approval of the project was accorded by the board of directors of POWERGRID vide the Memorandum ref. C/CP/KPFBR dated 17.03.2010 at an estimated cost of ₹ 138.58 crores including an IDC of ₹ 7.99 Crores (based on 3 rd quarter 2009 price level).		
Scheduled COD of the project	As per investment approval, the project was scheduled to be commissioned within 24 months from the date of approval by the Board. Hence the Scheduled COD was 01.04.2012 .		
Scope of the project	<p>The scope of project as per Investment Approval is as follows:-</p> <p>Transmission Lines</p> <p>(a) Kalpakkam PFBR –Sirucheri, 230KV D/C Line (b) Kalpakkam PFBR – Arani 230 KV D/C Line (c) Kalpakkam PFBR – Kanchipuram 230KV D/C Line</p> <p>Sub-Stations Extension of existing 230 kV TNEB Sub-stations at Kanchipuram, Arani and Sirucheri Sub-stations</p>		
Actual COD of the Project	Assets	Actual CoD	Remarks
	Asset I	01.12.2011	Transmission tariff was approved by the Commission vide order dated 29.04.2015 in the petition no. 105/TT/2012
	Asset II	01.04.2012	
	Asset III	01.09.2012	CoD was not approved by the Commission vide order dated 29.04.2015 in the petition no. 105/TT/2012. However, in view of judgement of APTEL in appeal no. 168 of 2015 filed by petitioner, the Commission, vide its order dated 27.12.2018, granted liberty to the petitioner to file fresh petition within one month of the issue of this order.

ii) Assets covered in the petition

Details of the assets covered in the instant petition for true up of 2009-14 and final tariff for 2014-19, along with COD, previous petition and date of order are as below:-

Name of Asset	COD	Petition No. and date of order
Asset-I: Kalpakkam PFBR-Sirucheru 230 kV D/C Line	01.12.2011	105/TT/2012 (29.04.2015)
Asset-II: Kalpakkam PFBR-Arani 230 kV D/C line	01.04.2012	

2. The petitioner has made the following prayers:-

- (i) Approve the Trued up Transmission Tariff for the tariff block 2009-14 block for the assets covered under this petition. The adjustment billing shall be raised.
- (ii) Admit the capital cost as on 31.03.2014 as claimed in the Petition and approve the Additional Capitalization incurred during 2009-14 period and 2014-19 as claimed in the petition.
- (iii) Approve the Transmission Tariff for the tariff block 2014-19 blocks for the assets covered under this petition.
- (iv) 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.
- (v) 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.
- (vi) 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 (if any) in relation to the filing of petition.
- (vii) 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.
- (viii) Allow the Petitioner to bill and recover 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. Further, any taxes and duties including cess etc. imposed by any statutory/Govt/municipal authorities shall be allowed to be recovered



from the beneficiaries.

- (ix) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 52 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.
- (x) 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.

3. Accordingly the instant petition covers True up of Capital Cost & tariff for 2009-14 period under Regulation 6 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as “the 2009 Tariff Regulations”) and Capital cost & Tariff for 2014-19 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) for the period from 1.4.2014 to 31.3.2019 for Combined Assets.

4. The petitioner has served the petition on the respondents and notice of this application has been published in the newspapers in accordance with Section 64 of Electricity Act, 2003 (“the Act”). No comments have been received from the public in response to the notices published by the petitioner under Section 64 of the Act. TANGEDCO has filed reply via affidavit dated 21.05.2018 to the petition. The petitioner has submitted the rejoinder vide affidavit dated 11.10.2018. The hearing in this matter was held on 24.05.2018 & 23.10.2018. The petitioner was directed to file certain information vide ROP of hearing dated 24.05.2018. In response, the petitioner has submitted the information vide affidavit dated 16.07.2018. Having heard the representatives of the



petitioner on the aforesaid dates and perused the material on record, we proceed to dispose of the petition.

5. Capital cost allowed in previous petition

- a) The capital cost allowed as on 31.03.2014 in the above said order(s) is given below:-

(₹ In lakh)

Asset	Capital Cost as on COD	COD to 31.03.2013	2013-14	Total Cost as on 31.03.2014
Asset I	2055.21	312.16	72.88	2440.25
Asset II	5124.28	362.34	143.19	5629.81

- b) The tariff allowed in the above referred order for the instant assets for the period from their respective COD to 31.3.2014 in terms of the provisions of the 2009 Tariff Regulations are as under:-

(₹ in lakh)

Particulars	Asset I			Asset II	
	2011-12 (Pro-rata)	2012-13	2013-14	2012-13	2013-14
Depreciation	38.88	124.88	127.90	281.16	294.51
Interest on Loan	45.46	139.06	131.27	332.43	322.30
Return on Equity	38.29	123.06	126.06	278.23	291.49
Interest on Working Capital	3.93	12.44	12.67	29.66	30.56
O & M Expenses	30.96	98.18	103.80	165.31	174.73
Total	157.53	497.62	501.70	1086.80	1113.59

Time over Run.

6. The project was scheduled to be commissioned within 24 months from the date of investment approval i.e. 17.03.2010. The scheduled commissioning date works out



to be 01.04.2012 (SCOD). The actual COD of all the assets as discussed earlier are within scheduled commissioning date. Thus there is no Time Over-run in the commissioning of these instant assets.

TRUING UP OF ANNUAL FIXED CHARGES FOR TARIFF PERIOD 2009-14

7. The truing up of tariff for the 2009-14 tariff period for the assets has been determined as discussed below.

Capital Cost

8. The capital cost for the period from COD to 31.03.2014 has been dealt as per Clause (1) of Regulation 7 of the 2009 Tariff Regulations. Petitioner had submitted the Capital Cost incurred for the instant assets, vide Auditor Certificates dated 13.12.2017. Details of Apportioned Approved Cost (FR) and Auditor certified capital cost are summarized below:

(₹ in lakh)

Name of asset	Apportioned approved cost (FR)	Actual Capital Cost as on DOCO	Additional Capital Expenditure			Completion Cost
			2011-12	2012-13	2013-14	
Asset-I	2,605.00	2055.21	270.68	41.48	13.97	2381.34
Asset-II	6,747.00	5124.28	0	362.34	50.17	5536.79
Total	9,352.00	7,179.49	270.68	403.82	64.14	7,918.13

9. The claimed capital cost as on 31.03.2014 is within the limit of the apportioned approved cost of the individual assets. Thus, there is no cost over-run in any of the instant assets.



10. Treatment of IDC

- i) As per the petition, the IDC amount mentioned in Auditor certificate of concerned assets are on accrual basis. However, IDC Statement shows the actual IDC discharged during respective years, which have been taken in to consideration for calculation of Transmission Tariff.
- ii) The IDC has been worked out based on the loan amount as mentioned in Form 13 and the drawl date and interest rate as submitted by the petitioner. The asset wise IDC claimed and allowed are summarized below.

(₹ In lakhs)

Asset	IDC Claimed as per the Auditor's Certificates	IDC allowed (Accrual)	IDC Allowed (cash basis)	Un-discharged liability of allowed IDC	Discharge of IDC liability allowed as Add. Cap.	
					2011-12	2012-13
a	b	c	d	e	f	g
Asset-I	107.95	107.95	103.37	4.58	3.40	1.18
Asset-II	354.70	354.70	130.19	224.51	0.00	224.51
Total	462.65	462.65	233.56	229.09	3.40	225.69

11. Treatment of Incidental Expenditure During Construction (IEDC)

- i) The IEDC claimed as per Auditor Certificate of concerned asset are summarized below:-

(₹ In lakhs)

Assets	IEDC claimed
Asset I	62.54
Asset II	156.89

- ii) The Abstract Cost Estimate submitted as per Investment approval does not specifically mentions percentage for IEDC. However, reference percentage is taken from the available categories with their respective percentage on Hard Cost. The amount of IEDC claimed is within the reference percentage of the

Hard Cost indicated in the Abstract Cost Estimate as on COD in respect of the instant assets. The claimed IEDC has been considered for the purpose of tariff calculation.

12. The petitioner has not claimed initial spares for the assets. Hence, no initial spares are allowed for the assets in the instant petition.

13. Capital cost as on COD

The capital cost as on COD considered for tariff is worked out as under:-

(₹ in lakh)

Asset	Capital cost as on COD claimed by Petitioner	IDC Dis-allowed from the petitioner claim	Un-discharge IDC liability	Capital Cost as on COD considered for tariff calculation
1	2	3	4	5= (2-3-4)
Asset-I	2055.21	0.00	4.58	2050.63
Asset-II	5124.27	0.00	224.51	4899.76
Total	7179.48	0.00	229.09	6950.39

14. Additional Capital Expenditure

- i) Additional Capital Expenditure is considered as per Regulation 9 of the 2009 tariff Regulations.
- ii) The cut-off date for Asset-I is 31.03.2014 and Asset-II is 31.03.2015.
- iii) In addition to the add cap claimed in Auditor Certificate, the petitioner has claimed the IDC liability as ACE during the year in which it is discharged. The regulation wise ACE claimed in Form 9 has been summarized below:-



Asset-I

(₹ in lakh)

Particulars	Regulation	2011-12	2012-13	2013-14
Discharge of un-discharge liabilities on Hard cost	9(1)(i)	270.68	41.48	13.97
Add cap towards works deferred for execution	9(1)(ii)	0.00	0.00	0.00
Total add-cap as per Auditor Certificate (excluding IDC liability) (1+2)		270.68	41.48	13.97
Discharge of IDC Liability	9(1)(i)	3.40	1.18	0.00
ACE Claimed in Form 9		274.08	42.66	13.97

Asset-II

(₹ in lakh)

Particulars	Regulation	2012-13	2013-14
Discharge of un-discharge liabilities on Hard cost	9(1)(i)	362.34	50.17
Add cap towards works deferred for execution	9(1)(ii)	0.00	0.00
Total add-cap as per Auditor Certificate (excluding IDC liability) (1+2)		362.34	50.17
Discharge of IDC Liability	9(1)(i)	224.51	0.00
ACE Claimed in Form 9		586.85	50.17

iv) The ACE allowed for the instant assets are summarized below.

Asset-I

(₹ in lakh)

Particulars	Regulation	2011-12	2012-13	2013-14
Discharge of un-discharge liabilities on Hard cost	9(1)(i)	270.68	41.48	13.97
Add cap towards works deferred for execution	9(1)(ii)	0.00	0.00	0.00
Discharge of IDC Liability	9(1)(i)	3.40	1.18	0.00
ACE Allowed		274.08	42.66	13.97



Asset-II

(₹ in lakh)

Particulars	Regulation	2012-13	2013-14
Discharge of un-discharge liabilities on Hard cost	9(1)(i)	362.34	50.17
Add cap towards works deferred for execution	9(1)(ii)	0.00	0.00
Discharge of IDC Liability	9(1)(i)	224.51	0.00
ACE Allowed		586.85	50.17

15. Summary of allowed Capital Cost from COD to 31.3.2014

(₹ in lakh)

Asset	Capital cost allowed as on COD	2011-12	2012-13	2013-14	Capital Cost as on 31.03.2014
1	2	3	4	5	6= (2+3+4+5)
Asset-I	2050.63	274.08	42.66	13.97	2381.34
Asset-II	4899.76	0.00	586.85	50.17	5536.78
Total	6950.39	274.08	629.51	64.14	7918.12

16. Debt: Equity Ratio

- i) Debt: Equity Ratio is considered as per Regulation 12 of the 2009 tariff Regulations.
- ii) The petitioner has claimed truing-up annual fixed charge based on debt- equity ratio of 70:30 admitted as on COD in previous order. The details of debt: equity ratio of the instant assets as on COD is given below:-

(₹ in lakh)

	Asset-I	Asset-II
Debt%	70.00%	70.00%
Equity%	30.00%	30.00%
Loan	1435.44	3429.93
Equity	615.19	1469.83
Total	2050.63	4899.76

- iii) The debt-equity ratio for the additional capital expenditure is considered as 70:30.



iv) The overall debt equity ratio as on 31.3.2014 for the Assets is as under:-

(₹ in lakh)

	Asset-I	Asset-II
Debt%	70.00%	70.00%
Equity%	30.00%	30.00%
Loan	1666.94	3875.85
Equity	714.40	1660.93
Total	2381.34	5536.78

17. Return on Equity (“ROE”)

i) The petitioner has submitted the MAT rate applicable during the various years.

RoE has been worked out by considering year wise MAT rate submitted by the petitioner in accordance with Regulation 15 of the 2009 Tariff Regulations.

Year	MAT Rate	Grossed up ROE (Base rate/(1-t))
2011-12	20.008	19.377
2012-13	20.008	19.377
2013-14	20.960	19.610

ii) The trued up ROE allowed for the instant transmission assets under Regulation 15 of the 2009 Tariff Regulations is as follows

(₹ in lakh)

Return on Equity	Asset - I			Asset - II	
	2011-12	2012-13	2013-14	2012-13	2013-14
Opening Equity	615.19	697.41	710.21	1469.83	1645.88
Addition due to Additional Capitalization	82.22	12.80	4.19	176.04	15.05
Closing Equity	697.41	710.21	714.40	1645.88	1660.93
Average Equity	656.30	703.81	712.31	1557.86	1653.40
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
Tax rate for the year 2013-14 (MAT)	20.01%	20.01%	20.96%	20.01%	20.96%
Rate of Return on Equity (Pre Tax)	19.377%	19.377%	19.610%	19.377%	19.610%
Return on Equity (Pre Tax)	42.39	136.38	139.68	301.87	324.23

18. Interest on Loan (“IOL”)

- i) The petitioner has claimed the IOL based on WAROI computed as per actual interest rates for each year during the 2009-14 period. We have considered the submissions of the petitioner and accordingly calculated the IoL
- ii) In the calculations, the IoL has been worked out as detailed below:-
- a) Gross amount of loan, repayment of installments and rate of interest/weighted average rate of interest on actual average loan have been considered as per the petition.
- b) The Normative repayment for the tariff period 2009-14 has been considered to be equal to the depreciation allowed for that period.
- iii) The weighted average rate of interest has been considered as per Form 13 of respective assets and the IOL has been worked out and allowed as under:-

(₹ in lakh)

Interest on loan	Asset - I			Asset - II	
	2011-12	2012-13	2013-14	2012-13	2013-14
Gross Normative Loan	1435.44	1627.30	1657.16	3429.93	3840.73
Cumulative Repayment up to Previous Year	0.00	38.83	163.68	0.00	275.21
Net Loan-Opening	1435.44	1588.47	1493.48	3429.93	3565.52
Addition due to Additional Capitalization	191.86	29.86	9.78	410.81	35.12
Repayment during the year	38.83	124.85	126.35	275.21	292.05
Net Loan-Closing	1588.47	1493.48	1376.91	3565.52	3308.58
Average Loan	1511.95	1540.97	1435.19	3497.72	3437.05
Weighted Average Rate of Interest on Loan	9.0071%	9.0244%	9.0308%	9.2950%	9.2947%
Interest on Loan	45.39	139.06	129.61	325.11	319.47

19. Depreciation

- i) The depreciation is considered in accordance with Regulation 17 of the 2009 Tariff Regulations.



- ii) The actual COD of the instant assets are during 2011-13. The depreciation for the period 2009-14 has been worked out based on straight line method at the rates specified in Appendix III to the 2009 Tariff Regulations. :-

(₹ in lakh)

Particulars	Asset - I			Asset - II	
	2011-12	2012-13	2013-14	2012-13	2013-14
Opening gross block	2050.63	2324.71	2367.37	4899.76	5486.61
Addition during 2009-14	274.08	42.66	13.97	586.85	50.17
Closing Gross Block	2324.71	2367.37	2381.34	5486.61	5536.78
Average Gross Block	2187.67	2346.04	2374.36	5193.19	5511.70
Rate of Depreciation	5.3249%	5.3219%	5.3214%	5.2995%	5.2988%
Depreciable Value	1968.90	2111.44	2136.92	4673.87	4960.53
Remaining Depreciable Value	1968.90	2072.61	1973.24	4673.87	4685.31
Depreciation	38.83	124.85	126.35	275.21	292.05

20. Operation & Maintenance Expenses (“O&M Expenses”)

The O&M Expenses claimed by the petitioner at the time of true-up for the assets covered under the instant petition are allowed as under:-

(₹ in lakh)

Particulars	Asset - I			Asset - II	
	2011-12	2012-13	2013-14	2012-13	2013-14
O & M Expenses	30.96	98.18	103.80	165.31	174.73

21. Interest on working capital (“IWC”)

- i) Sub-clause (c) of clause (1) of Regulation 18 of the 2009 Tariff Regulations provides the components of the working capital for the transmission system and clause (3) of Regulation 18 of the 2009 Tariff Regulations provides for the rate of interest of working capital.

a) Maintenance Expenses : 15% of Operation and Maintenance expenses

b) O & M Expenses one month of the allowed O&M Expenses

c) Receivables 2 months' of annual transmission charges



d) Rate of Interest on Working Capital

As per the 2009 Tariff Regulations rate of interest on working capital has been considered as 11.75% (i.e. SBI base rate 8.25 as on 01.04.2011 plus 350 basis points) for Asset-I and 13.50% (i.e., SBI base rate 10% as on 01.04.2012 plus 350 basis points) for Asset-II for computing IWC of all the assets.

ii) The trued up Interest on working capital is given below:

Interest on Working Capital	Asset-I			Asset-II	
	2011-12	2012-13	2013-14	2012-13	2013-14
Maintenance Spares	13.93	14.73	15.57	24.80	26.21
O & M expenses	7.74	8.18	8.65	13.78	14.56
Receivables	80.79	85.20	85.39	182.90	190.28
Total	102.47	108.10	109.61	221.47	231.05
Rate of Interest	4.01	12.70	12.88	29.90	31.19

ANNUAL FIXED COST FOR 2009-14 TARIFF PERIOD

22. The trued up annual fixed cost for the Asset for the tariff period 2009-14 is summarized below:-

Annual Fixed Cost	Asset-I			Asset-II	
	2011-12	2012-13	2013-14	2012-13	2013-14
Depreciation	38.83	124.85	126.35	275.21	292.05
Interest on Loan	45.39	139.06	129.61	325.11	319.47
Return on Equity	42.39	136.38	139.68	301.87	324.23
Interest on Working Capital	4.01	12.70	12.88	29.90	31.19
O & M Expenses	30.96	98.18	103.80	165.31	174.73
Total	161.59	511.18	512.32	1097.40	1141.67

DETERMINATION OF ANNUAL FIXED COST FOR 2014-19

23. The tariff for the instant transmission assets up to 2009-14 tariff period has been trued-up based on the actual COD of individual elements. To avoid multiplicity of



petitions and granting multiple tariffs for the assets covered under the single project/transmission system for 2014-19 tariff period, the Commission, vide Regulation 6 of the 2014 Tariff Regulations, has brought in the concept of a single consolidated petition wherein a single petition is required to be filed by a petitioner in case of all the assets which have been put under commercial operation prior to 31.3.2014, so that a single tariff can be granted for all the assets covered under such a single project/transmission system. To determine a single transmission tariff for different assets, as per the 2014 Tariff Regulations, the concept of effective date of commercial operation and weighted average life has also been stipulated in Regulation 27 of the 2014 Tariff Regulations. The consolidation of individual assets for single tariff has been done by adding up the admitted capital cost as on 31.3.2014 of individual assets viz. Asset-I and Asset-II. The AFC for the consolidated cost has been allowed as given below:-

- (a) **Return on Equity:** The admitted gross normative equity as on 31.3.2014 of individual assets are added to arrive at the gross equity as on 1.4.2014 for the combined assets/project as whole.
- (b) **Interest on Loan:** The admitted gross normative loan and cumulative repayment of loan as on 31.3.2014 of individual assets are added to get the gross normative loan and cumulative re-payment of loan as on 1.4.2014 for the combined assets/project as whole.
- (c) **Depreciation:** The admitted gross capital cost and cumulative depreciation as on 31.3.2014 of individual assets are added to get the gross capital cost and cumulative depreciation as on 1.4.2014 for the combined assets. Lapsed life of the combined assets as on 1.4.2014 has been worked out by



the concept of Effective COD and Weighted Average life as provided in Regulation 27 of 2014 Tariff Regulations, as detailed in the depreciation paragraph given below.

(d) **Interest on Working capital:** Since, the normative working capital is derived from the O&M Expenses and Receivables; it is being worked out accordingly.

(e) **O&M Expenses:** The entitled O&M Expenses as per 2014 Tariff Regulations of individual assets are worked out and added together to consider as O&M Expenses of the consolidated assets.

24. Though the instant assets are consolidated into one combined asset and single tariff is allowed, the petitioner has to maintain the identity of the individual assets. In future tariff petitions, the petitioner has to provide the details of individual assets like description, actual COD, effective COD, cut-off date, admitted capital cost, O&M Expenses claimed, etc. The petitioner is directed to make all future claims of additional capital expenditure or de-capitalization for the project, along with Auditor certificate by clearly mentioning the individual assets to which the claim has been made. Accordingly the relevant tariff forms should show the individual asset wise breakup.

25. The closing balance as on 31.03.2014 of individual assets consolidated to arrive the opening balance of the project as a whole as given under:-



(₹ in lakh)

Particulars as on 31-03-2014	Asset I	Asset II	Combined Asset as on 01.04.2014
Admitted Capital Cost	2381.34	5536.78	7918.12
Cumulative Depreciation	290.03	567.27	857.30
Debt %	70.0%	70.0%	70.00%
Gross Equity	714.40	1660.93	2375.33
Gross Loan	1666.94	3875.85	5542.79
Cumulative Re-payment of Loan	290.03	567.27	857.30

26. The petitioner has claimed the transmission charges for combined asset for the 2014-19 tariff period as under

(₹ in lakh)

Combined Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	421.00	421.90	421.90	421.90	421.90
Interest on Loan	413.98	376.45	337.56	298.67	259.77
Return on equity	466.83	467.83	467.83	467.83	467.83
Interest on Working Capital	44.04	43.69	43.28	42.88	42.50
O & M Expenses	254.83	263.34	272.08	281.06	290.45
Total	1600.68	1573.21	1542.65	1512.34	1482.45

27. The details submitted by the petitioner in support of its claim for interest on working capital are given hereunder:-

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	38.22	39.50	40.81	42.16	43.57
O & M expenses	21.24	21.95	22.67	23.42	24.20
Receivables	266.78	262.20	257.11	252.06	247.08
Total	326.24	323.65	320.59	317.64	314.85
Rate of Interest (%)	13.50%	13.50%	13.50%	13.50%	13.50%
Interest	44.04	43.69	43.28	42.88	42.50

28. Capital Cost

i) The admissibility of capital cost during the period 2014-19 are dealt in accordance with Clause (1) & (3) (a) and (b) of Regulation 9 and Regulation 14 of



the 2014 Tariff Regulations specify as follows:-

- ii) The capital cost allowed as on 31.3.2014, for the instant assets are clubbed together and the combined capital cost of the all the assets as on 31.3.2014 has been considered as an Opening admitted capital cost as on 1.4.2014 in accordance with clause 9(3) of 2014 Tariff Regulation.
- iii) The petitioner, vide aforesaid Auditor Certificate(s) has claimed capital cost of individual assets which includes the additional capitalization for the 2014-19. The summary of approved apportioned cost, Capital cost admitted as on 01.04.2014 and additional capital expenditure claimed during 2014-19 period and the capital cost as on 31.03.2019 of all the assets are shown below.

(₹ in lakh)

Asset	Apportioned Approved Cost (FR)	Allowed cost as on 31.03.14	Add cap Claimed 2014-15	Total estimated cost
I	2605.00	2381.34	10.71	2392.05
II	6747.00	5536.78	23.48	5560.26
Total	9352.00	7918.12	34.19	7952.31

29. Cost over-run

The capital cost claimed up to 31.3.2019 is within the limit of the apportioned approved cost of concerned asset. Hence, there is no cost over-run for any of the assets covered in the instant petition.

30. Additional Capital Expenditure

- i. The additional capital expenditure has been dealt in accordance with Clause 1 & 2 of Regulation 14 of 2014 Tariff Regulations.
- ii. The petitioner has claimed additional capital expenditure for FY 2014 – 15 and



the same is as follows:

Asset	Actual COD	Cut-off Date	Amount Capitalized	Regulation under which covered	Justification
Asset-I	01.12.2011	31.03.2014	10.71 (2014-15)	14(2)(iv)	Balance & retention payments
Asset-II	01.04.2012	31.03.2015	23.48 (2014-15)	14(1)(i)	

petitioner has submitted that in 2014-15 an amount of Rs. 10.71 lakhs incurred towards the add cap expenses in respect of Asset-I is after cut off date and payments are held up due to undischarged liabilities. With regard to Asset-II, an amount of Rs. 23.48 lakhs in 2014-15 incurred in the contextual assets is on account of undischarged liability towards final payment/withheld payment due to contractual exigencies for works executed within the cut-off date.

- iii. The respondent, TANGEDCO vide affidavit dated 21.5.2018 has submitted that an amount of Rs. 10.71 lakhs in respect of Asset-I during 2014-15 for which the works have been executed before the cut-off date and payments are held up due to undischarged liabilities and the reasons have been explained in Form 9. But in form 9, no justification has been furnished for Additional capitalization after COD and no details about Rs. 23.48 lakhs for Asset-II.
- iv. The petitioner vide affidavit dated 11.10.2018 has submitted the rejoinder to the reply of TANGEDCO that total retention payments of Rs. 67.90 lakhs released in FY 2014-15, Rs. 10.71 lakhs pertaining to Kalpakam PFBR-Sirucheri 230 kV D/C line and Rs. 23.48 lakhs pertaining to Kalpakam PFBR-Arani 230 kV D/C line and Rs. 33.71 lakhs pertaining to Kalpakam PFBR-Kanchipuram 230 kVD/C line for the works completed before cutoff date.
- v. **Analysis and decision:**

We have considered the submissions of the petitioner and Respondents. The



petitioner has claimed Additional capital expenditure for FY 2014-15 for Asset-I under 14(2)(iv) of the tariff Regulations,2014 and for Asset-II under Regulation 14(1)(i) of the Tariff Regulations,2014. The petitioner has submitted the details Add-cap for FY 2014-15.The details of additional capital expenditure claimed by the petitioner is certified by auditor certificate dated 13.12.2017. Hence the Additional capital expenditure claimed by the petitioner for FY 2014-15 for Asset-I and Asset-II may be allowed.

vi. **IDC liability**

As discussed in the IDC portion pertaining to the 2009-14 period, the admitted IDC liability of Assets have been discharged in 2009-14 period itself.

vii. Based on the above, the allowed ACE are summarized below:-.

Asset-I

		(₹ in lakh)
Particulars	Regulation	2014-15
Discharge of liabilities on Hard cost	14(1)(i)	0.00
Works deferred for execution (addition into gross block)	14(1)(ii)	0.00
Discharge of IDC Liability	14(1)(i)	0.00
liability for the works executed prior to the cut off date but discharged after cut off date	14(2)(iv)	10.71
Total add-cap allowed		10.71

Asset-II

		(₹ in lakh)
Particulars	Regulation	2014-15
Discharge of liabilities on Hard cost	14(1)(i)	23.48
Works deferred for execution (addition into gross block)	14(1)(ii)	0.00
Discharge of IDC Liability	14(1)(i)	0.00
Total add-cap allowed		23.48



31. Capital Cost summary

(₹ in lakh)

Asset	Capital cost allowed as on 01.04.2014	ACE for the year 2014-15	Capital Cost allowed as on 31.03.2019
1	2	3	4= (2+3)
Asset-I	2381.34	10.71	2392.05
Asset-II	5536.78	23.48	5560.26
Total for Combined Asset	7918.12	34.19	7952.31

32. Debt: Equity Ratio

- i) The debt equity ratio has been considered in accordance with clause 19 (1), (3) and (5) of 2014 Tariff Regulation. Accordingly the debt-equity ratio allowed by Commission for individual assets for determination of tariff for the period ending 31.03.2014 has been consolidated and considered as opening debt equity ratio of the project as on 01.04.2014.
- ii) The details of the debt: equity as on 1.4.2014 and 31.03.2019 for the project as whole is considered for the purpose of tariff for the 2014-19 tariff period is as follows:-

(₹ in lakh)

Particulars	01.04.2014	31.03.2019
Debt%	70.00%	70.13%
Equity%	30.00%	29.87%
Loan (in lakh)	5542.79	5566.72
Equity (in lakh)	2375.33	2385.59
Total	7918.12	7952.31

33. Return on Equity ("ROE")

- i) The petitioner has claimed ROE at the rate of 19.61% for the 2014-19 period after grossing up the ROE with MAT rate of 20.96% as per the above said Regulation.



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.

- ii) The ROE has been worked out in accordance with Regulations 24 and 25 of the 2014 Tariff Regulations. The rate of pre-tax return on equity for all the financial year during 2014-19 period has been determined by grossing up the base rate of 15.50% with effective tax rate of 20.961%. This rate of pre-tax return on equity is subject to true up based on the effective tax rate of respective financial year applicable to the petitioner company. Accordingly, the RoE allowed is as follows:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	2375.33	2385.59	2385.59	2385.59	2385.59
Addition due to ACE	10.26	0.00	0.00	0.00	0.00
Closing Equity	2385.59	2385.59	2385.59	2385.59	2385.59
Average Equity	2380.46	2385.59	2385.59	2385.59	2385.59
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT Rate	20.961%	20.961%	20.961%	20.961%	20.961%
Rate of Return on Equity (Pre Tax)	19.611%	19.611%	19.611%	19.611%	19.611%
Return on Equity (Pre Tax)	466.83	467.84	467.84	467.84	467.84

34. Interest on Loan (“IOL”)

- (i) We have considered the weighted average rate of IOL on the basis of rate prevailing as on 1.4.2014. The IOL has been worked out in accordance with Regulation 26 of the 2014 Tariff Regulations as detailed below:-

- (a) It is observed that the actual loan portfolio of individual assets as considered for the true up purpose has been added together for the balance as on 1.4.2014. The loan portfolio as submitted by the petitioner has been considered for determining WAROI.



- (b) Now, the gross amount of loan, repayment of installments and rate of interest on actual loans as mentioned in Form 9C have been considered which is subject to true up.
- (c) The yearly normative repayment for the tariff period 2014-19 has been considered to be equal to the depreciation allowed for that year.
- (d) Weighted average rate of interest on actual average loan worked out as per (i) above is applied on the normative average loan during the year to arrive at the interest on loan.
- (ii) The details of weighted average rate of interest are placed at Annexure and the IOL has been worked out and allowed as follows:-

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Gross loan opening	5542.79	5566.72	5566.72	5566.72	5566.72
Cumulative Repayment up to previous year	857.30	1278.30	1700.20	2122.10	2544.00
Net Loan-Opening	4685.49	4288.42	3866.52	3444.62	3022.72
Additions during the year	23.93	0.00	0.00	0.00	0.00
Repayment during the year	421.00	421.90	421.90	421.90	421.90
Net Loan-Closing	4288.42	3866.52	3444.62	3022.72	2600.82
Average Loan	4486.96	4077.47	3655.57	3233.67	2811.77
Rate of Interest (%)	9.2265%	9.2325%	9.2343%	9.2364%	9.2389%
Interest	413.99	376.45	337.57	298.67	259.78

35. Depreciation

- i) The depreciation is dealt in accordance with the Regulation 27 of 2014 Tariff Regulation.
- ii) As discussed in above paragraphs, the lapsed life of the combined assets as on 1.4.2014 has been worked out by the concept of Effective COD and Weighted Average life as provided in Regulation 27 of 2014 Tariff Regulations.
- iii) **Effective Date of Commercial Operation (E-COD) of the project**

The Effective Date of Commercial Operation (E-COD) for the combined assets has



been worked out based on the admitted capital cost of individual assets as on 31.3.2014 and the actual COD of individual Assets, as shown below:-

Asset No.	Actual DOCO	Admitted Capital Cost as on 31-03-2014	Weight of the cost	No. of days from last COD	Weighted days	Effective COD (Latest COD - Total Weighted days)
Asset I	01-Dec-11	2381.34	30.07%	122.00	36.69	24-02-2012
Asset II	01-Apr-12	5536.78	69.93%	0.00	0.00	
Combined Asset		7918.12	100.00%		36.69	

The above determined effective COD is applicable only for the asset I and Asset II. However, after the decision of tariff for Asset-III, the effective COD for the project as whole shall be re-determined at the time of truing-up of 2014-19 period.

iv) **Weighted Average Life (WAL) of the project.**

The combined asset, have multiple elements (i.e. Land, Building, Transmission line, Substation and PLCC) and each element may have different span of life. Therefore, in 2014 Tariff Regulations, the concept of Weighted Average Life (WAL) has been introduced which has been used as the useful life of the project as whole. The WAL has been determined based on the admitted capital cost of individual elements of assets as on 31-03-2014 and their respective life as stipulated in 2014-19 Tariff Regulations. The element wise life as it was defined in Tariff Regulations prevailing at the time of actual COD of individual assets has been ignored for this purpose. The life as defined in 2014 Regulation for the individual assets has been considered for determination of WAL for the project as whole. Accordingly, the WAL of the combined assets has been worked out as 34 years as under:-

(₹ in lakh)

Determination of Weighted Average Life of the Project Assets commissioned during 2009-14 tariff period					
Particulars	Admitted Capital Cost as on 01-04-2014		Combined Cost (a)	Life as per 2014 Reg. (b)	Weight (a) x (b)
	Asset I	Asset II			
Freehold Land	0.00	0.00	0.00	0	0.00
Leasehold Land	0.00	0.00	0.00	25	0.00
Building	0.00	0.00	0.00	25	0.00
Trans. Line	1940.19	5085.63	7025.82	35	245903.70
Sub Station Equip	347.55	352.45	700.00	25	17500.00
PLCC	93.60	98.70	192.30	15	2884.50
Total	2381.34	5536.78	7918.12	34	266288.20
Weighted Average life					34 Years

v) **Lapsed Life of the project as on 01.04.2014:** The E-COD as determined above shall be used only to determine the lapsed life as on 01.04.2014 for the combined assets. The lapsed life as on 01.04.2014 refers the number of completed years as on 01.04.2014 starting from E-COD). The lapsed life (in completed years) of the instant project as on 1.4.2014 has been worked out as 2 years.

vi) **Remaining useful life of the project:** The remaining useful life of the project as on 1.4.2014 has been worked out as 32 years. (i.e. Weighted Average life minus lapsed life as on 01.04.2014) The usage of weighted average life of the project as determined above has been applied prospectively for determination of depreciation. (i.e. 01.04.2014 onwards) and no retrospective adjustment of depreciation in previous tariff period is required since the depreciation considered for the individual assets up to 31.03.2014 are added together to arrive the cumulative depreciation of the project as on 01.04.2014. The Cumulative Depreciation of the project as on 1.4.2014 has been computed as ₹ 857.30 lakh.

vii) The capital cost, E-COD, WAL and lapsed life for the combined assets as determined in above paragraphs are considered for computation of depreciation for



the period 2014-19. The lapsed life of the project as on 01.04.2014 is 2 years hence, the 12 years from the effective date of commercial operation is completing beyond the tariff period 2014-19. Hence, the depreciation for entire tariff period (i.e. 2014-19) has been worked out based on Straight Line Method and at rates specified in Appendix-II to 2014 Tariff Regulations.

viii) The details of the depreciation allowed for the project as whole are given here under:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross block	7918.12	7952.31	7952.31	7952.31	7952.31
Additional Capitalization	34.19	0.00	0.00	0.00	0.00
Closing Gross block	7952.31	7952.31	7952.31	7952.31	7952.31
Average gross block	7935.22	7952.31	7952.31	7952.31	7952.31
Rate of Depreciation (%)	5.31%	5.31%	5.31%	5.31%	5.31%
Depreciable Value	7141.69	7157.08	7157.08	7157.08	7157.08
Remaining Depreciable	6284.39	5878.78	5456.88	5034.98	4613.08
Depreciation	421.00	421.90	421.90	421.90	421.90

36. Operation & Maintenance Expenses (“O&M Expenses”)

i) The O&M Expenses claimed by the petitioner are as under:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O & M Expenses claimed for combined asset	254.83	263.34	272.08	281.06	290.45

ii) The petitioner has submitted that O&M Expenses for the period 2014-19 have been arrived on the basis of normalized actual O&M Expenses during the period 2008-13. The petitioner has further submitted that the wage revision of the employees of the Petitioner Company is due during the period 2014-19 and actual impact of wage



hike, which will be effective at a future date, has not been factored in fixation of the normative O&M rate specified for the tariff period 2014-19. The petitioner has prayed to be allowed to approach the Commission for suitable revision in the norms of O&M Expenses for claiming the impact of such increase.

iii) We have considered the submissions made by the petitioner. The O&M Expenses have been worked out as per the norms of O&M Expenses specified in the 2014 Tariff Regulations. As regards impact of wage revision, we would like to clarify that any application filed by the petitioner in this regard will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations.

iv) The details of O&M Expenses allowed for the instant assets are given hereunder:-

					(₹ in lakh)
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses Allowed	254.83	263.34	272.08	281.06	290.45

37. Interest on Working Capital (“IWC”)

i) As per 2014 Tariff Regulations the components of the working capital and the interest thereon are discussed hereinafter:-

- a) **Maintenance spares:**
Maintenance spares @ 15 % of Operation and Maintenance expenses specified in Regulation 28.
- b) **O & M expenses:**
O&M expenses have been considered for one month of the O&M expenses
- c) **Receivables:** The receivables have been worked out on the basis of 2 months' of annual fixed cost as worked out above.
- d) **Rate of interest on working capital:** As per Clause 28 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, SBI Base Rate (10.00%) as on 01.04.2014 Plus 350 Bps i.e. 13.50 % have been considered as the rate of interest on working capital.

ii) The interest on working capital allowed is shown in the table below:-



(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	38.22	39.50	40.81	42.16	43.57
O & M Expenses	21.24	21.95	22.67	23.42	24.20
Receivables	266.78	262.20	257.11	252.06	247.08
Total	326.24	323.65	320.60	317.64	314.85
Rate of Interest	13.50%	13.50%	13.50%	13.50%	13.50%
Interest	44.04	43.69	43.28	42.88	42.50

38. Annual Fixed Cost

The detailed computation of the various components of the annual fixed cost for the transmission asset for the tariff period 2014-19 is summarized below:-

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	421.00	421.90	421.90	421.90	421.90
Interest on Loan	413.99	376.45	337.57	298.67	259.78
Return on Equity	466.83	467.84	467.84	467.84	467.84
Interest on Working Capital	44.04	43.69	43.28	42.88	42.50
O & M Expenses	254.83	263.34	272.08	281.06	290.45
Annual Fixed Cost	1600.69	1573.22	1542.67	1512.35	1482.47

39. Filing Fee and Publication Expenses

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.

40. Licence Fee and RLDC Fees and Charges

The petitioner has requested to allow the petitioner to bill and recover License fee and RLDC fees and charges, separately from the respondents. 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.

41. Service Tax

The petitioner has sought to recover Service Tax on transmission charges separately from the respondents, if at any time service tax on transmission is withdrawn from negative list in future. We have considered the submission of the petitioner. Service tax is not levied on transmission. Further, service tax is subsumed by GST and hence petitioner's prayer is infructuous.

42. Goods and Services Tax

The petitioner has prayed for reimbursement of 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. The petitioner has further prayed that any taxes and duties including cess, etc. imposed by any Statutory/Govt./Municipal Authorities shall be allowed to be recovered from the beneficiaries. We have considered the submission of the petitioner and we are of the view that petitioner's prayer is premature and accordingly this prayer is rejected.

43. Sharing of Transmission Charges

- (i) The petitioner has submitted that the Transmission Charges for 2009-14 block and for 2014-19 shall be borne by BHAVINI from the date of commercial operation of Assets till the commercial operation of its first unit of



generating station in line with Regulation 8(6) of Sharing Regulations. Thereafter, the transmission charges shall be recovered on monthly basis in accordance with Regulation 43 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 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 and amendment from time to time.

- (ii) The Appellate Tribunal vide order dated 4.10.2018 in appeal no. 151/2015 has held as under:

Our findings & analysis:

“8.22 We have thoroughly analysed the contentions of the Appellant and the Respondents and also perused the rulings of the judgement cited by the learned counsel. Admittedly, the Appellant could not commission its generating unit even after lapse of more than 6 years from the scheduled date of commissioning and also intends to avail the benefit of relaxation under CERC Regulations 20 of getting absolved of paying the transmission charges. On the other hand, the Respondents vehemently contended that the request of the Appellant for availing exemption or relaxation in paying the legitimate transmission charges is not at all justified. The learned counsel for the Respondents further submitted that the Appellant has not only deprived the Transmission Licensees to recover its transmission charges but also made the beneficiaries/Distribution licensees to suffer for want of power from its generating unit. As such the Appellant does not have any legitimate right to seek a relaxation from the Central Commission under any of the relevant Regulations for not paying the transmission charges. In view



of the foregoing facts and circumstances of the case in hand, we are of the considered opinion that the Central Commission has rightly justified in not acceding to the request of the Appellant for granting a relaxation under Regulation 20. We, accordingly, hold that findings of the Central Commission in this regard rightly justified and are also in line with the decisions of the Apex Court cited supra.”

- (iii) We have considered the submissions of the petitioner and judgment of APTEL vide order dated 4.10.2018 in appeal no. 151 of 2015. The transmission charges for 2009-14 period shall be shared as per order dated 29.4.2015 in petition No 105/TT/2012. The transmission charges for 2014-19 Period shall be borne by BHAVINI from the date of commercial operation of the assets till the COD of its first unit of generating station in line with Regulation 8(6) of Sharing Regulations. Thereafter, the transmission charges shall be recovered on monthly basis in accordance with Regulation 43 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

This order disposes of Petition No.99/TT/2018.

Sd/-

(Dr. M. K. Iyer)
Member

Sd/-

(P.K. Pujari)
Chairperson





Order in Petition No. 134/TT/2017