

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.156/TT/2015**

**Coram:**

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

**Date of Order: 09.02.2021**

**In the matter of:**

Reconsideration of order dated 29.12.2016 in Petition No.156/TT/2015 pursuant to the directions of Appellate Tribunal for Electricity in judgment dated 16.7.2018 in Appeal Nos. 281 of 2016 and 81 of 2017 and Commission's order dated 12.12.2018 in Review Petition Nos. 4/RP/2017 and 15/RP/2017.

**And in the matter of:**

Approval under regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations,1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for determination of Transmission Tariff from COD to 31.3.2019 for **Asset-I:** 400 kV (Quad) 2xS/C Parbati- Koldam transmission line portion starting from Parbati-II HEP to LILO point of Parbati (Banala) Pooling Station to Koldam HEP (Ckt.-I) and **Asset-II:** Portion starting from Parbati-II HEP LILO point of Parbati-III HEP (Ckt.-II) under "Parbati Koldam Transmission System" in Northern Region.

**And in the matter of:**

Parbati Koldam Transmission Company Ltd.,  
B-9, Qutab Institutional Area, Katwaria Sarai,  
New Delhi-110 016

**.....Petitioner**

**Versus**

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd.,  
Vidyut Bhawan, Vidyut Marg,  
Jaipur - 302 005
2. Ajmer Vidyut Vitran Nigam Ltd.,  
132 kV, GSS RVPNL Sub- Station Building, Caligiri Road,  
Malviya Nagar, Jaipur-302017(Rajasthan)
3. Jaipur Vidyut Vitran Nigam Ltd.,



132 kV, GSS RVPNL Sub- Station Building, Caligiri Road,  
Malviya Nagar, Jaipur-302017 (Rajasthan)

4. Jodhpur Vidyut Vitran Nigam Ltd.,  
132 kV, GSS RVPNL Sub- Station Building, Caligiri Road,  
Malviya Nagar, Jaipur-302017 (Rajasthan)
5. Himachal Pradesh State Electricity Board,  
Vidyut Bhawan, Kumar House Complex Building-II,  
Shimla-171 004.
6. Punjab State Power Corporation Ltd.,  
Thermal Shed TIA, Near 22 Phatak,  
Patiala-147001.
7. Haryana Power Purchase Centre,  
Shakti Bhawan, Sector-6,  
Panchkula (Haryana) 134109.
8. Power Development Deptt.,  
Govt. of Jammu & Kashmir,  
Mini Secretariat, Jammu.
9. Uttar Pradesh Power Corporation Ltd.,  
(Formerly Uttar Pradesh State Electricity Board)  
Shakti Bhawan, 14, Ashok Marg,  
Lucknow - 226 001.
10. Delhi Transco Ltd.,  
Shakti Sadan, Kotla Road,  
New Delhi-110 002.
11. BSES Yamuna Power Ltd.,  
B Block, Shakti Kiran Bldg.,  
(Near Karkardooma Court)  
Karkardooma, 2<sup>nd</sup> Floor,  
Delhi-110092.
12. BSES Rajdhani Power Ltd.,  
BSES Bhawan, Behind Nehru Place,  
New Delhi-110019.
13. Tata Power Delhi Distribution Ltd.,  
Cennet Building, Adjacent to 66/11 kV Pitampura-3 Grid Building,  
Near PP Jewellers, Pitampura,  
North Delhi – 110034.
14. Chandigarh Administration,



Sector -9, Chandigarh.

15. Uttarakhand Power Corporation Ltd.,  
Urja Bhawan, Kanwali Road,  
Dehradun.
16. North Central Railway,  
Allahabad.
17. New Delhi Municipal Council,  
Palika Kendra, Sansad Marg,  
New Delhi-110002.
18. Northern Regional Electricity Board,  
18-A, Shaheed Jeet Singh Marg,  
Katwaria Sarai,  
New Delhi-110 016.
19. PowerGrid Corporation of India Ltd.,  
"Saudamini", Plot No.2,  
Sector-29, Gurgaon -122 001.
20. National Hydro Power Corporation Ltd.,  
NHPC Office Complex, Sector-33,  
Faridabad, Haryana-121 003.
21. NTPC Ltd.,  
NTPC Bhawan, Scope Complex,  
Institutional Area,  
Lodhi Road, Pragati Vihar,  
New Delhi-110 016.
22. Himachal Pradesh Power Corporation Ltd.,  
Sainj (HEP), Sarabhai, Bhunter,  
Distt. Kullu, Himachal Pradesh-175 125.
23. Himachal Pradesh Power Corporation Ltd.,  
HIMFED Bhawan, Below Old MLA Quarters,  
Bypass Road, Tutikandi,  
Shimla-171 005, Himachal Pradesh.

...Respondents

**For Petitioner:** Shri Amit Kapoor, Advocate, PKTCL  
Ms. Aparajita Upadhyay, Advocate, PKTCL  
Shri Azad Akbar, PKTCL

**For Respondents:** Shri Piyush Kumar, Advocate, NHPC  
Shri Jitendra Kumar, NHPC



**ORDER**

The Appellate Tribunal for Electricity (APTEL) vide its judgment dated 16.7.2018 in Appeal Nos. 281 of 2016 and 81 of 2017 has observed as under:

*“14.4.....It is, however, relevant to opine that the findings and decisions of the Central Commission have to be consistent and uniform based on principle of natural justice and equity in all the cases as far as liability for delay in commissioning of the respective assets of the parties is concerned. It is further noted that a review petition in respect of the said petition No.156/TT/2015 is pending before the CERC and the entire issue, as such, needs comprehensive adjudication.”*

2. Pursuant to the judgment of APTEL dated 16.7.2018, the Commission vide common order dated 12.12.2018 has disposed of the Review Petition No. 4/RP/2017 filed by the Review Petitioner, Parbati Koldam Transmission Company Ltd. (PKTCL) and Review Petition No. 15/RP/2017 filed by NHPC Ltd. (in short, 'NHPC') against the Commission's order dated 29.12.2016 in Petition No. 156/TT/2015 observing as under:

*“26. Taking into consideration the directions of APTEL in judgement dated 16.7.2018 and the submissions made by NHPC, as elucidated in paragraphs 22, 23 and 24 above, we set down the main petition, Petition No.156/TT/2015, for hearing on the issue of date of commercial operation of Asset-I: section of 400 kV (Quad) 2xS/C Parbati Koldam transmission line starting from Parbati-II HEP to LILO point of Parbati (Banala) Pooling Station to Koldam HEP (Ckt.-I) and Asset-II: from Parbati-II HEP LILO point of Parbatill HEP (Ckt-II) and sharing of the transmission assets of the said assets alongwith Petition No.91/TT/2012.*

*27. The issues raised by PKTCL in its Review Petition like grant of IDC and IEDC instead of transmission charges, grant of 5% of Hard Cost as IEDC instead of 11.77% of the Hard Cost and some typographical errors while dealing with interest on working capital and IEDC will also be considered while deciding the Petition Nos. 156/TT/2015 alongwith Petition No. 91/TT/2012.”*

3. The present petition, namely, Petition No. 156/TT/2015 was filed by the Petitioner, Parbati Koldam Transmission Company Ltd. (PKTCL) for determination of transmission tariff in respect of the following assets under “Parbati Koldam



Transmission System” in Northern Region for 2014-19 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as ‘the 2014 Tariff Regulations’):

Asset-I: 400 kV (Quad) 2xS/C Parbati- Koldam transmission line portion starting from Parbati-II HEP to LILO point of Parbati (Banala) Pooling Station to Koldam HEP (Ckt.-I) and

Asset-II: Portion starting from Parbati-II HEP LILO point of Parbati-III HEP (Ckt.-II)

4. The Commission vide order dated 29.12.2016 had disposed of this petition and as stated in paragraph 2 above, this Petition is reopened in terms of the Commission’s common order dated 12.12.2018 in Review Petition Nos. 4/RP/2017 and 15/RP/2017 keeping in mind the observations of APTEL vide judgment dated 16.7.2018 in Appeal No. 281 of 2016 and 81 of 2017.

5. The Petitioner has made the following prayers:

*“(a) Condone the delay in achieving the commissioning of the KL line with respect to the RCOD under Implementation Agreement as the delay is on account of reasons that are outside the reasonable control of the Petitioner.*

*(b) Approve the transmission tariff for the PK III line for the tariff block 2014-19 under regulation 4 & 7 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff), Regulations 2014.*

*(c) Admit the capital cost as claimed in the petition and approve the Additional Capitalization incurred/projected to be incurred.*

*(d) 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.*

*(e) Allow 90% of the annual fixed charges in accordance with Regulation (7)(7)(i) of the Tariff Regulations for the purpose of inclusion in the PoC charges in accordance with the Central Electricity Regulatory Commission (Sharing of Inter-state Transmission Charges and Losses) Regulations 2010.*

*(f) Allow the Petitioner to bill the Transmission Tariff from the actuals DOCO i.e. 30.09.2014 for the line.*

*(g) Allow the Petitioner to bill and recover Service Tax on Transmission charges separately from the respondents, if at anytime the exemption from service tax is withdrawn and transmission of power is notified as a taxable service.*



*(h) 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 class 25 of the Tariff Regulations 2014.*

*(i) 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 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and other expenditure (if any) in relation to the filing of petition.*

*(j) Allow the Petitioner to bill and recover Licensee fees 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.*

*and pass such other relief as the Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.”*

6. The Respondents are the transmission licensees and distribution licensees who are procuring transmission services from the Petitioner, mainly the beneficiaries of the Northern Region.

## **BACKGROUND**

7. As per the Investment Approval dated 26.12.2005, the instant assets were scheduled to be put into commercial operation within 36 months from the date of Investment Approval. Accordingly, the scheduled COD of the instant assets was 1.1.2009 (the first day of next month) against which COD was approved as 3.11.2015 by the Commission vide its order dated 29.12.2016 in the present petition. The relevant portion of the order is as under:

*“23. In the light of the above statutory provisions, we have considered the submissions of the petitioner and NHPC and the documents available on record. It is observed that the petitioner was ready with the circuit-I and circuit-II of Parbati-III-Koldam line for charging after receiving the “Approval for Energization” certificate from CEA under Regulation 43 of CEA (Measures relating to safety and Electric Supply) Regulations, 2010 on 30.6.2015. The upstream 400 kV bays for the Parbati-III-Koldam line were within the scope of NHPC and were required to be matched with the commissioning of Parbati-III- Koldam line for regular service of the transmission line. These upstream 400 kV bays for the Parbati-III-Koldam line at Parbati-II pot head yard of NHPC was not ready on 30.6.2015, but ckt.-I and ckt.-II of Parbati-III-Koldam line were commissioned on 30.6.2015. However, actual power flow started on Parbati-III- Koldam line on 3.11.2015 and Parbati-III-Koldam line is being put to use only with effect from*



*3.11.2015. Since Parbati-III-Koldam line did not fulfill the condition of successful trial operation on 30.6.2015, the said line could not be said to be ready for declaration of commercial operation. Accordingly, we are not inclined to approve the petitioner's prayer for approval of COD of the ckt.-I and ckt.-II of Parbati-III-Koldam line as 30.6.2015 under Regulation 4(3)(ii) of the 2014 Tariff Regulations. The COD of both Ckt.-I and Ckt.-II of Parbati-III-Koldam line shall be reckoned as 3.11.2015."*

8. There was a time over-run of approximately 78 months (from SCOD of 1.1.2009 to 30.6.2015) in the instant assets, excluding the period (30.6.2015 to 2.11.2015) for which NHPC was held liable to pay IDC and IEDC. The Petitioner has attributed the time over-run to delay in the execution of HEPs (hydro-electric projects), delay in obtaining forest clearance, ROW issues and adverse weather conditions. The said time over-run of 78 months was found to be beyond the control of the Petitioner and, therefore, it was condoned vide order dated 29.12.2016. The relevant excerpts of the order is as under:

*"36. We are of the view that time over-runs due to delay in commissioning of Koldam HEP, Parbati III HEP, forest clearance, RoW issues and adverse weather conditions were beyond the control of petitioner. Accordingly, the time over-run of 78 months in commissioning of the instant assets is condoned."*

9. As regards the estimated completion cost and cost over-run, the Commission vide order dated 29.12.2016 in this Petition held as under:

*"29. The total estimated completion cost of instant assets is within the RCE. Hence, there is no cost over-run in the case of instant assets."*

10. With regard to sharing of transmission charges, the Commission vide order dated 29.12.2016 observed as under:

*"24. It is observed that Ckt.-I and Ckt.-II of Parbati-III-Koldam line were originally envisaged to be commissioned with the 400 kV bays in Parbati-II switchyard of NHPC. On account of delay in commissioning of 400 kV bays in Parbati-II switchyard of NHPC, the Ckt.-I and Ckt.-II of Parbati-III-Koldam line were put into use only on 3.11.2015 through an alternate arrangement. Since the delay is attributable to the non-commissioning of 400 kV bays by NHPC, we are of the view that the IDC and IEDC from 30.6.2015 for instant assets till 2.11.2015 shall be borne by NHPC. With effect from 3.11.2015, the transmission charges for the instant assets shall be serviced in accordance with Sharing Regulations. The IDC and IEDC borne by NHPC shall not be capitalized by NHPC in its book of accounts for the purpose of claiming tariff for its generation from Parbati HEPs as well as for transmission services by the petitioner."*



11. In terms of the observations of APTEL in its said judgement dated 16.7.2018, all the related petitions, namely, Petition No. 91/TT/2012, Petition No. 19/RP/2015, Petition No. 107/TT/2017, Petition No. 136/TT/2017, Petitions No. 4/RP/2017 and Petition No. 15/RP/2017 including the present Petition No.156/TT/2015 were listed and heard again.

12. The Petitioner has claimed the following transmission charges for the instant transmission assets:

(₹ in lakh)

Particulars	Asset-I			
	2015-16	2016-17	2017-18	2018-19
Depreciation	161.66	234.63	245.85	248.50
Interest on Loan	270.24	317.73	251.61	229.49
Return on Equity	180.98	264.31	277.09	281.04
Interest on WC	14.52	19.34	17.41	16.81
O&M Expenses	7.05	9.69	10.02	10.35
<b>Total</b>	<b>634.46</b>	<b>845.70</b>	<b>801.97</b>	<b>786.19</b>

(₹ in lakh)

Particulars	Asset-II			
	2015-16	2016-17	2017-18	2018-19
Depreciation	141.90	205.95	215.78	218.12
Interest on Loan	237.20	278.88	220.84	201.43
Return on Equity	158.86	231.99	243.21	246.68
Interest on WC	12.72	16.94	15.25	14.73
O&M Expenses	5.78	7.94	8.20	8.48
<b>Total</b>	<b>556.46</b>	<b>741.70</b>	<b>703.28</b>	<b>689.43</b>

13. The details of the Interest on Working Capital (IWC) claimed by the Petitioner are as under:

(₹ in lakh)

Particulars	Asset-I			
	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	1.41	1.45	1.50	1.55
O & M Expenses	0.78	0.81	0.83	0.86
Receivables	140.99	140.95	133.66	131.03
<b>Total</b>	<b>143.18</b>	<b>143.21</b>	<b>135.99</b>	<b>133.44</b>



Rate of Interest	13.50%	13.50%	13.50%	13.50%
<b>Interest on Working Capital</b>	<b>14.52</b>	<b>19.33</b>	<b>17.41</b>	<b>16.81</b>

(₹in lakh)

Particulars	Asset-II			
	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	1.15	1.19	1.23	1.27
O & M Expenses	0.64	0.66	0.68	0.71
Receivables	123.66	123.62	117.21	114.91
<b>Total</b>	<b>125.45</b>	<b>125.47</b>	<b>119.12</b>	<b>116.89</b>
Rate of Interest	13.50%	13.50%	13.50%	13.50%
<b>Interest on Working Capital</b>	<b>12.72</b>	<b>16.94</b>	<b>15.25</b>	<b>14.73</b>

14. The Petitioner has served the copy of the petition upon the Respondents and notice of this tariff application has also been published in newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the notices published by the Petitioner under Section 64 of the Electricity Act, 2003. Respondents, NHPC and HPPCL vide affidavits dated 30.1.2016 and 12.5.2016 respectively have filed their reply to the petition.

15. Pursuant to the said judgment of APTEL dated 16.7.2018, the Petitioner and Respondents have made numerous written submissions.

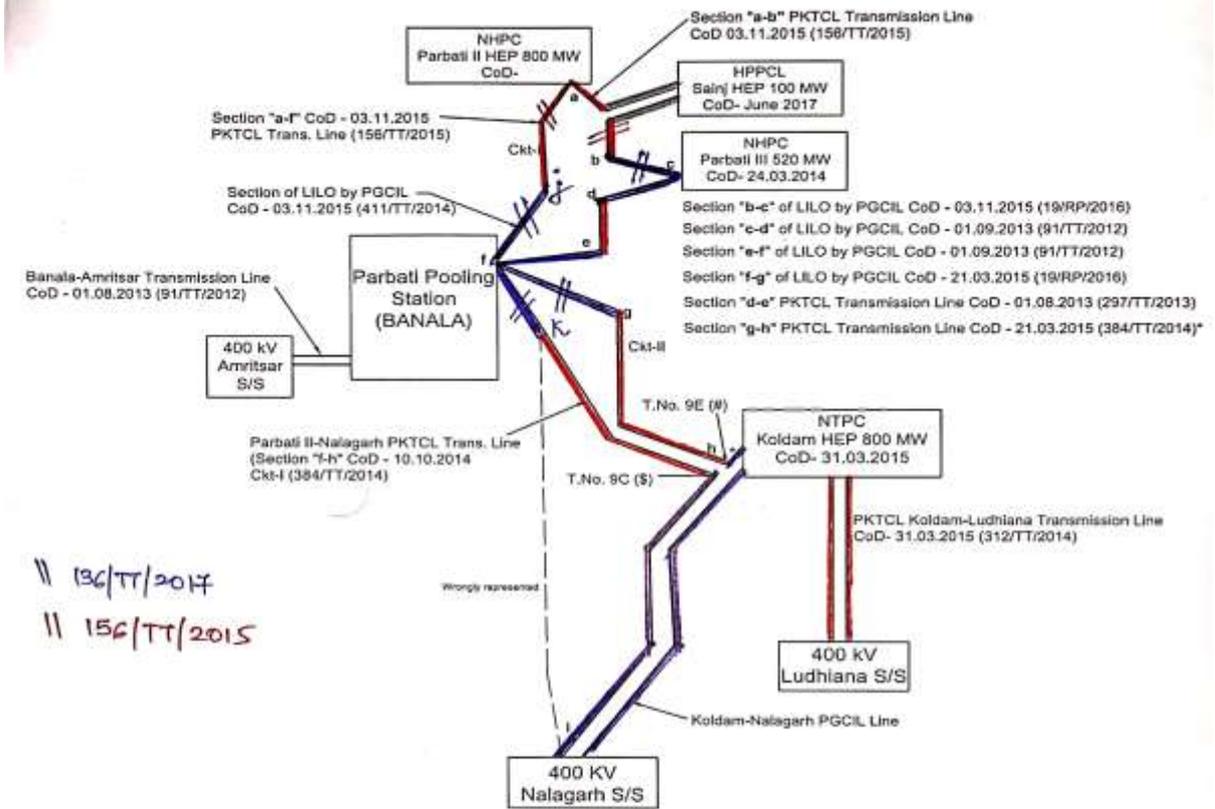
16. The description of the assets covered in the present petition is as under:

- (i) Asset-I: Portion of Ckt-1 of 400 kV (Quad) 2 x S/C Parbati II-Koldam transmission line, starting from Parbati-II HEP to LILO point of Parbati (Banala) Pooling Station (**Ckt.-I: 'a-j'**); and
- (ii) Asset-II: Portion of Ckt-II of 400 kV (Quad) 2xS/C Parbati II- Koldam transmission line, starting from Parbati-II HEP to LILO point of Parbati-III HEP (**Ckt.-II: 'a-b'**)

17. The schematic diagram of the subject transmission system is as under:



**The Schematic diagram describing transmission system constructed by PKTCL**



**Power Evacuation System for Koldam-Parbati II and Parbati III HEP**

**LEGEND:**

	PGCIL Lines
	PKTCL Lines
	HPPCL Lines
	Wrongly represented

\* Section of Koldam-Nalagarh Line of PGCIL CoD 01.04.2011 (2/TT/2011)  
 § Ckt-I 'f-h' connected at Tower 9C of Koldam-Nalagarh Line of PGCIL forming Banala-Nalagarh section.  
 # Ckt-II 'g-h' connected at Tower 9E of Koldam-Nalagarh Line of PGCIL forming Banala-Koldam section.

18. The Commission vide order dated 29.12.2016 in the present petition while allowing the final tariff of the instant assets observed that PKTCL was not able to 'put into use' its transmission line due to delay on the part of NHPC and held that NHPC would bear IDC and IEDC charges for the period of mismatch. The relevant extract of the said order is as under:



*“24. It is observed that Ckt.-I and Ckt.-II of Parbati-III-Koldam line were originally envisaged to be commissioned with the 400 kV bays in Parbati-II switchyard of NHPC. On account of delay in commissioning of 400 kV bays in Parbati-II switchyard of NHPC, the Ckt.-I and Ckt.-II of Parbati-III-Koldam line were put into use only on 3.11.2015 through an alternate arrangement. Since the delay is attributable to the non-commissioning of 400 kV bays by NHPC, we are of the view that the IDC and IEDC from 30.6.2015 for instant assets till 2.11.2015 shall be borne by NHPC. With effect from 3.11.2015, the transmission charges for the instant assets shall be serviced in accordance with Sharing Regulations. The IDC and IDEC borne by NHPC shall not be capitalized by NHPC in its books of accounts for the purposes of claiming tariff for its generation from Parbati HEPs as well as for transmission services by the petitioner.”*

19. Against the aforesaid order of the Commission dated 29.12.2016, Review Petition No. 4/RP/2017 and Review Petition No. 15/RP/2017 were filed by PKTCL and NHPC respectively.

20. In Review Petition No.4/RP/2017, PKTCL sought review of the impugned order dated 29.12.2016 on the following grounds:

- (i) Restriction of IEDC to 5% of the hard cost instead of 11.77% of the hard cost claimed by the Review Petitioner as per Revised Cost Estimate (RCE).
- (ii) Approval of COD of the assets as 30.6.2015 instead of 3.11.2015.
- (iii) Typographical errors in paragraphs 15 and 40 of the order dated 29.12.2016.

21. In Review Petition No. 15/RP/2017, NHPC sought review of the impugned order dated 29.12.2016 on the aspect of allowing recovery of IDC and IEDC for the period from 30.6.2015 to 2.11.2015 from NHPC due to non-commissioning of 400 kV bay of Parbati-II within the scope of work of NHPC. NHPC sought review of the impugned order on the following grounds:

- (i) COD of Parbati-II switchyard was not necessary for COD of the instant transmission assets of PKTCL as the line was required for alternate evacuation system of Parbati-III Power Station which is under commercial operation w.e.f.



24.3.2014. NHPC in its reply dated 30.1.2016 in Petition No. 156/TT/2015 had mentioned this fact but the Commission failed to take into consideration this important fact.

(ii) The Commission did not take into account the other important fact that the transmission assets were also to be used for evacuation of power from Sainj Hydro Project, which was scheduled for commissioning in December 2014 in terms of the Minutes of Meeting dated 31.8.2013. This fact was not considered in the impugned order and no penalty was imposed on Sainj HEP which stood on the same footing as NHPC.

22. During pendency of the above referred Review Petition Nos. 4/RP/2017 and 15/RP/2017 before this Commission, NHPC preferred Appeal No. 281 of 2016 against the Commission's order dated 21.7.2016 in Petition No. 91/TT/2012 and Appeal No. 81 of 2017 against the Commission's order dated 7.9.2016 in Review Petition No. 19/RP/2015 (in Petition No. 91/TT/2012) before APTEL. While challenging the aforesaid orders of the Commission before APTEL, NHPC alleged differential treatment being given to it and also compared its case with the subsequent cases of PKTCL and PGCIL. It is on this premise that APTEL vide judgment dated 16.7.2018 in Appeal Nos. 281 of 2016 and 81 of 2017 directed the Commission to take a comprehensive view on adjudication of the pending Review Petitions in Petition No. 156/TT/2015.

23. Taking note of the aforesaid judgment of APTEL, the Commission heard and disposed Review Petition Nos. 4/RP/2017 and 15/RP/2017 vide common order dated 12.12.2018. The Commission vide order dated 12.12.2018 in Review Petition Nos. 4/RP/2017 and 15/RP/2017 has observed the following:

*"26. Taking into consideration the directions of APTEL in judgement dated 16.7.2018 and the submissions made by NHPC, as elucidated in paragraphs 22, 23 and 24 above, we set down the main petition, Petition No.156/TT/2015, for hearing on the*



*issue of date of commercial operation of Asset-I: section of 400 kV (Quad) 2xS/C Parbati Koldam transmission line starting from Parbati-II HEP to LILO point of Parbati (Banala) Pooling Station to Koldam HEP (Ckt.-I) and Asset-II: from Parbati-II HEP LILO point of Parbati III HEP (Ckt-II) and sharing of the transmission assets of the said assets alongwith Petition No.91/TT/2012.*

*27. The issues raised by PKTCL in its Review Petition like grant of IDC and IEDC instead of transmission charges, grant of 5% of Hard Cost as IEDC instead of 11.77% of the Hard Cost and some typographical errors while dealing with interest on working capital and IEDC will also be considered while deciding the Petition Nos. 156/TT/2015 alongwith Petition No. 91/TT/2012.”*

24. The Commission vide order dated 5.2.2020 disposed of Petition No. 91/TT/2012 after listing and hearing all the related petitions in the light of the directions given in the said judgment of APTEL.

### **ISSUES**

25. The matter in the instant petition was finally heard on 13.2.2020. The issues raised by the Respondents and their response by the Petitioner have been discussed in the subsequent paragraphs.

26. The issues that arise for our consideration are as under:

**(i) Whether the COD of the Assets-I and II covered in the present petition should be allowed as 30.6.2015 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations as claimed by Petitioner?**

**(ii) What should be the treatment of transmission charges or IDC/IEDC for the period from 30.6.2015 to 2.11.2015?**

**(iii) Whether IEDC should be restricted to 5.00% of the hard cost or 11.77% of the hard cost as per Revised Cost Estimate (RCE)?**

**(iv) Other Issues - Sharing of Charges by Sainj HEP and typographical errors in paragraphs 15 and 40 of the order dated 29.12.2016 in Petition No. 156/TT/2015.**

We deal with the above issues one by one.

**Issue No. (i): Whether the COD of the Assets-I and II covered in the present petition should be allowed as 30.6.2015 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations?**



## **Submissions of PKTCL**

27. PKTCL vide affidavit dated 5.6.2015 in the present petition has made the following submissions:

- a) PKTCL was granted transmission licence on 15.9.2008. In the 32<sup>nd</sup> Standing Committee Meeting of Power System Planning of Northern Region held on 31.8.2013, it was agreed that both the circuits from Parbati-III to Parbati-II may be constructed up to Parbati-II. Since Parbati-II switchyard would not be available by December 2014, both circuits (i.e. one coming from Parbati Pooling Station and the other from Parbati-III generation project) may be joined together. For evacuation of power from Sainj HEP, LILO of 400 kV direct circuit from Parbati-II HEP to Parbati Poling Station (Banala) may be implemented by HPPCL/ HPPTCL. This arrangement would provide reliable evacuation of power under N-1 condition. PKTCL was requested to extend these 400 kV lines upto Parbati-II and join both the circuits at dead end tower of Parbati-II switchyard by December 2014 matching with the scheduled commissioning of Sainj HEP for evacuation of power from Sainj HEP. This line was required to be executed by December 2014.
- b) PKTCL has been developing PK-III line as a consolidated scheme under Parbati Koldam Transmission Line Project.
- c) The issue was again discussed in the 26<sup>th</sup> TCC and 29<sup>th</sup> NRPC meetings on 12<sup>th</sup> and 13<sup>th</sup> September, 2013. For arrangement for evacuation of power from Sainj HEP, which was expected to be commissioned by December 2014, it was decided to be executed by constructing a LILO of 2<sup>nd</sup> 400 kV direct ckt. from Parbati-II HEP to Parbati Pooling Station (Banala). This work was to be implemented by HPPTCL.
- d) PKTCL wrote letter dated 27.11.2014 to HPPCL enquiring about the commissioning status of Sainj HEP to which no response was received by PKTCL.



e) Revised COD under the Implementation Agreement (IA) dated 23.11.2007 postulated the date of execution of this section of the line as 31.12.2014. Revised COD of line of PKTCL was approved as 31.5.2015. The amendments in revised COD were done by PGCIL/CTU with the consent of beneficiaries and after consultation with NRPC, Standing Committee on Power of Northern Region or TCC of Northern Region beneficiaries.

### **Reply of NHPC**

28. NHPC in its reply filed vide affidavit dated 30.1.2016 has made the following submissions with regard to COD of Assets-I and II:

a) The instant transmission assets i.e., 400 kV (quad) 2 x S/C Parbati-Koldam Transmission Line starting from Parbati-II HEP to Parbati Pooling Station- Banala (Ckt-I) and from Parbati-II HEP to LILO point of Parbati-III HEP (Ckt-II) is part of power evacuation system from Parbati-II and Parbati-III Power Stations of NHPC. The said transmission system consisting of Ckt.-I and Ckt.-II is the 2<sup>nd</sup> Power Evacuation Ckt. of Parbati-III Power Station. The said lines are to be completed by PKTCL.

b) In the 32<sup>nd</sup> SCM of Power System Planning of NR held on 31.8.2013, both the circuits i.e. one coming from Parbati Pooling Station (Banala) and the other from Parbati-III generating station towards Parbati-II was to be extended/constructed upto Parbati-II. As Parbati-II Switchyard would not be available by December 2014, both the circuits were to be joined at the dead end tower of Parbati-II Switchyard by December 2014.

c) Owing to delay not attributable to NHPC, the commissioning of Parbati-II Power Station was scheduled to September 2018 and as such NHPC suggested to explore the viability of power flow in the second evacuation circuit of Parbati-III Power Station after by-passing Parbati-II HE Project. A letter to this effect was written by NHPC to PGCIL on 18.8.2015.

d) The claim of PKTCL on non-commissioning of switchyard/ gantry of Parbati-II HEP is incorrect. The erection at GIS and Pot Head Yard of Parbati-II



is under progress and, hence, the bay is not ready. However, the 2<sup>nd</sup> evacuation line of Parbati-III has been charged after by-passing Parbati-II GIS on 2.11.2015 and power flow started on 3.11.2015. The execution of bay at Parbati-II was not required for immediate charging of this line. Technically, the line could have been charged earlier after by-passing the bay at Parbati-II and it was informed by NHPC.

e) On these facts, NHPC prayed to allow tariff of the subject assets to PKTCL from 3.11.2015 only and not from 30.6.2015.

### **Reply of Sainj HEP**

29. Sainj HEP in its reply filed vide affidavit dated 12.5.2016 has made the following submissions:

a) CEA had approved the evacuation arrangement for Sainj HEP (100 MW) as LILO 400 kV Parbati-II Banala direct circuit in the 32<sup>nd</sup> Meeting of Standing Committee on Power System Planning in Northern Region on 31.8.2013. In the said meeting, CEA proposed that PKTCL be requested to extend these 400 kV lines upto Sainj HEP switchyard by December 2014 matching with the scheduled commissioning of Sainj HEP for evacuation of power from Sainj HEP.

b) In the subsequent Standing Committee Meeting on Power System Planning in NR, this matter was discussed but due to technical constraints, it was not possible to LILO the said line with 400 kV Parbati-II Banala 2<sup>nd</sup> direct circuit. Hence, HPPCL could not construct the transmission line from Sainj HEP pot head yard to 400 kV ckt. from Parbati-II to Parbati-III. The approval to inject power of Sainj HEP directly into 1<sup>st</sup> 400 kV ckt. from Parbati-II to Parbati-III was given by CEA in the 36<sup>th</sup> Standing Committee Meeting on Power System Planning in Northern Region on 13.7.2015.

c) The work of its transmission line from powerhouse to LILO point being executed by HPPTCL is in progress. The delay in execution of connecting transmission section was due to frequent changes in the design of the line



because the design was finalized after the decision was taken in the 36<sup>th</sup> Standing Committee Meeting on Power System Planning in NR on 13.7.2015.

d) The transmission charges as proposed by PKTCL from the actual date of commercial operation of the instant assets may not be imposed on it till such time the interconnection transmission section being constructed by HPPTCL and project are completed.

#### **Submissions by PKTCL in Review Petition No. 4/RP/2017**

30. PKTCL vide affidavit dated 27.1.2017 has made the following submissions with respect to COD of instant Assets-I and II:

a) In order dated 29.12.2016 in Petition No. 156/TT/2015, the Commission has allowed IDC and IEDC for the period from 30.6.2015 to 2.11.2015 to be paid by NHPC to PKTCL. Instead of IDC and IEDC, the Petitioner should be granted full transmission charges as due to the delay in commissioning of 400 kV bays in Parbati-II switchyard of NHPC, Ckt.-I and Ckt.-II of Parbati-III-Koldam line were put into use only on 3.11.2015.

b) The Commission in the said order observed that delay is attributable to the non-commissioning of 400 kV bays by NHPC and as such IDC and IEDC from 30.6.2015 for the instant assets till 2.11.2015 shall be borne by NHPC. In support of its submission for grant of full transmission charges, PKTCL cited the Commission's orders in Petition No. 11/SM/2014, 19/RP/2015 and Petition No. 236/MP/2015.

#### **Reply of NHPC in Review Petition No. 4/RP/2017**

31. NHPC vide affidavit dated 15.3.2017 has made the following submissions:

a) The Commission did not properly consider NHPC's reply dated 30.1.2016 filed in Petition No. 156/TT/2015 and as such the conclusion of the Commission that due to non-availability of bay at NHPC switchyard is erroneous as the same was based on mis-representation of case by PKTCL.



b) In the 32<sup>nd</sup> SCM of Power System Planning dated 31.8.2013, it was agreed that the instant transmission assets will be executed matching with the schedule of Sainj HEP which was scheduled for commissioning in December 2014. Second power evacuation circuit of Parbati-III Power Station is under commercial operation from 24.3.2014. NHPC requested PKTCL to explore the possibility of power flow in second evacuation ckt. of Parbati-III Power Station after by-passing Parbati-II HE Project. It is denied that NHPC was responsible for delay in execution of the instant transmission assets.

c) In view of 32<sup>nd</sup> Standing Committee Meeting dated 31.8.2013, PKTCL had to execute its transmission line matching with the schedule of Parbati-III HEP which PKTCL did not do. PKTCL's line was not complete on the said date and, hence the penalty in the form of IDC and IEDC or full AFC as claimed by PKTCL is unjust.

#### **Submissions of NHPC in Review Petition No. 15/RP/2017**

32. NHPC in Review Petition No. 15/RP/2017 vide affidavit dated 23.2.2017 on the issue of COD of Assets-I and II has made the following submissions:

a) Commissioning of Parbati-II switchyard was not necessary for COD of the instant assets of PKTCL as the line was required for alternate evacuation system of Parbati-III Power Station which was under commercial operation w.e.f. 24.3.2014. NHPC in its reply dated 30.1.2016 in Petition No.156/TT/2015 had mentioned this fact but the Commission did not take into consideration this important fact.

b) The instant transmission assets were also to be used for evacuation of power from Sainj HEP, which was scheduled for commissioning in December 2014 in terms of 32<sup>nd</sup> minutes of Standing Committee Meeting dated 31.8.2013. The Commission did not consider this fact in its order dated 29.12.2016. No penalty was imposed on Sainj HEP which stands on the same footing as NHPC.

c) The transmission line constructed by PKTCL (Ckt-2) was meant for evacuation of power from Parbati-III HEP (NHPC), Sainj HEP (HPPCL) and



Parbati-II HEP (NHPC). The units of Parbati-III power station are under commercial operation from 24.3.2014.

d) During the process of commissioning of Parbati-III Power Station, 2<sup>nd</sup> evacuation bay of Parbati-III was tested for commissioning but it could not be executed due to non-execution of transmission line and as such the Power Station has been operated with only one evacuation ckt till 3.11.2015.

e) PKTCL only vide letter dated 2.7.2015 informed Parbati-III HEP about probable charging of the transmission line. Though line was ready, it could not be charged due to the technical requirement of re-testing of 2<sup>nd</sup> bay of Parbati-III HEP and the same was a time consuming process. Parbati-III HEP informed this fact to PKTCL through e-mail dated 2.7.2015. This fact was also mentioned by NHPC in its reply dated 30.1.2016.

### **Reply of PKTCL in Review Petition No. 15/RP/2017**

33. PKTCL vide affidavit dated 16.6.2017 on the issue of COD of Assets-I and II has made the following submissions:

a) In terms of 32<sup>nd</sup> Standing Committee Meeting on Power System Planning for NR dated 31.8.2013, PKTCL was to construct this section of transmission line by December 2014 matching with commissioning of Sainj HEP. In terms of the said SCM dated 31.8.2013, PK-III Transmission Line section was to enter Parbati-III HEP at one end for which NHPC was required to have its switchyard at Parbati-III HEP ready and/or available in the same time to meet the N-1 condition for evacuation of power. This arrangement was further discussed in 26<sup>th</sup> Technical Coordination Sub-Committee (TCC) Meeting and 29<sup>th</sup> North Region Power Committee (NRPC) on 13.9.2013 which was attended by NHPC.

c) IA (Implementation Agreement) dated 23.11.2007 executed between PKTCL and PGCIL, required PKTCL to provide the section of 400 kV S/C Parbati Koldam Transmission Line starting from LILO point of Parbati-III to LILO point of Banala (Parbati) Pooling Station matching with the timeframe of



Parbati-III HEP. The section of transmission line under discussion in the present petition was required to be executed matching with Parbati-II HEP as was discussed in the 26<sup>th</sup> SCM dated 13.10.2008.

### **Analysis and Decision**

34. The Petitioner has submitted the CEA energization certificate dated 30.6.2015 for both the instant Assets-I & II i.e. section 'a-j' and 'a-b' respectively and no-load trial operation certificate for Asset-I, where no load trial was completed by PKTCL on 12.7.2015. The Petitioner has also submitted that Assets-I & II could not get commissioned due to non-commissioning of 400 kV bays at Parbati-II and Parbati-III. Accordingly, the Petitioner has prayed to allow COD of both the Assets as 30.6.2015 (CEA Energization Certificate) instead of 3.11.2015 (Actual Power Flow).

35. Learned counsel for PKTCL has contended that on 31.8.2013, in the 32<sup>nd</sup> Standing Committee Meeting, it was decided that the section of Parbati Koldam Transmission Lines (both circuits-I and II) starting from LILO point of Banala Pooling Station to Parbati-II (section of circuit-I) and section starting from Parbati-II to LILO point of Parbati-III HEP (section of Circuit-II) can be used for the evacuation of power from Sainj HEP as well as in meeting N-1 condition in case the section is being used for evacuation of power from Parbati-III HEP. He further contended that circuit-II was required only by December 2014 i.e. matching with the commissioning of Sainj HEP.

36. Learned counsel for NHPC contended that in the 32<sup>nd</sup> Standing Committee Meeting of Power System Planning of Northern Region held on 31.8.2013, it was agreed that both the circuits i.e. one coming from Parbati Pooling Station (Banala) and the other from Parbati-III generating station towards Parbati-II may be extended/constructed up to Parbati-II. He further contended that it was also agreed in the said



meeting that the Parbati-II switchyard would not be available by December 2014 and, hence both the circuits may be joined together at the dead end tower of Parbati-II switchyard by December 2014. He refuted the claim of PKTCL for non-commissioning of switchyard/ gantry of Parbati-II HEP. Learned counsel for NHPC has contended that the erection at GIS and pot head yard of Parbati-II was at that time under progress and as such it was not ready then. However, 2<sup>nd</sup> evacuation line of Parbati-III was charged after bypassing Parbati-II GIS on 2.11.2015 and power flow started on 3.11.2015. He contended that commissioning of bay at Parbati-II was not required for immediate charging of this line and that technically, the line could have been charged earlier after bypassing Parbati-II and the same was informed by NHPC.

37. Sainj HEP has submitted that in the 32<sup>nd</sup> Meeting of Standing Committee on Power System Planning in Northern Region on 31.8.2013, CEA proposed that PKTCL should be requested to extend the 400 kV lines up to Sainj HEP switchyard by December 2014 matching with the scheduled commissioning of Sainj HEP for evacuation of power from Sainj HEP. Sainj HEP has further submitted that in the subsequent meeting on Power System Planning in NR, this matter was discussed but due to technical constraints, it was not possible to LILO the said line with 400 kV Parbati-II Banala 2<sup>nd</sup> direct circuit and, therefore, HPPCL could not construct the transmission line from Sainj HEP pot head yard to 400 kV ckt. from Parbati-II to Parbati-III. Sainj HEP has further submitted that the approval to inject power of Sainj HEP directly into 1<sup>st</sup> 400 kV ckt. from Parbati-II to Parbati-III was given by CEA in the said 36<sup>th</sup> Standing Committee Meeting on 13.7.2015.



38. We have considered the submissions of PKTCL, NHPC and Sainj HEP and have also perused the record. In view of above submissions, we find it appropriate to reproduce the relevant excerpt of the 32<sup>nd</sup> Standing Committee Meeting of NR dated 31.8.2013:

*“5.5 As informed by HPPCL Sainj project is expected by Dec.'14. PKTCL is constructing 400 kV 2 X S/c lines from Parbati-II HEP to Koldam HEP. Portion of these lines between Parbati-III HEP and Parbati Pooling Station has been completed for evacuation of Parbati-III HEP. It was further informed that Parbati-II and Sainj HEPs are located in very close proximity. For evacuation of power from Sainj, it was agreed that both the circuits from Parbati-III to Parbati-II may be constructed upto Parbati-II. **As Parbati-II switchyard would not be available by December 2014, both circuits (i.e. one coming from Parbati Pooling Station and other from Parbati-III generation) may be joined together.** For evacuation of power from Sainj LILLO of 400 kV direct circuit from Parbati-II HEP to Parbati Pooling station (Banala) may be implemented by HPPCL/HPPTCL. This arrangement would provide reliable evacuation of power under N-I condition. **It was proposed that PKTCL may be requested to extend these 400 kV lines up to Parbati-II and join both the circuits at dead-end tower of Parbati-II switchyard by December, 2014 matching with the scheduled commissioning of Sainj HEP for evacuation of power from Sainj HEP.***

*Members concurred to the proposal.”*

39. On perusal of above minutes, it is observed that it was agreed in the said meeting to request PKTCL to provide an alternate arrangement to join both circuits at Parbati-II switchyard i.e. one coming from Banala Pooling Station and other from Parbati-III HEP, as Parbati-II switchyard was not going to be available by December 2014. From the above minutes, it is evident that PKTCL was well aware of the fact that it was required to by-pass the two circuits i.e. one coming from Parbati Pooling Station (Asset-I) and other from Parbati-III generation (Asset-II) at Parbati-II and on the basis of this meeting only, PKTCL requested PGCIL to sign revised Implementation Agreement by 18.12.2013. We have also perused letters written by PKTCL to PGCIL and CEA, namely, letters dated 18.12.2013, 11.3.2015 and 5.12.2014 wherein reference of 32<sup>nd</sup> Standing Committee Meeting of Northern Region held on 31.8.2013 along with the Connectivity/ Long Term Access was made.



For addressing the present controversy, we find it necessary to reproduce the extract of letter dated 18.12.2013 written by PKTCL to PGCIL and the same is as under:

**“20.Linkage with Sainj HEP of HPPCL**

*In the recent 32<sup>nd</sup> Standing Committee Meeting on Power System Planning of Northern Region held on 31.8.2013 and 29<sup>th</sup> NRPC meeting held on 13.9.2013, it was informed by HPPCL that their Sainj Project is expected to be commissioned by December, 2014 as per the minutes at para 5.5, (copy of minutes enclosed at Annexure –XXIV). In line with the same as PKTCL is constructing 400 kV 2 X S/C lines from Parbati-II – Koldam Transmission Lines and that Sainj HEP is also located in close proximity of Parbati-II HEP, a portion of the above lines (i.e. one coming from Parbati-III HEP to Parbati-II and other Parbati Pooling Station – Parbati-II HEP) may be joined together in the switchyard of Parbati-II HEP for evacuation of power from Sainj HEP. It was discussed and agreed that the system is to be made available by December, 2014 matching with the commissioning of Sainj HEP.”*

40. On perusal of the 32<sup>nd</sup> Standing Committee Meeting of NR dated 31.8.2013 and the letter dated 18.12.2013 written by PKTCL to PGCIL, we are of the view that availability of Parbati-II switchyard was not a necessary condition for commissioning of the instant assets of PKTCL. It was also agreed that PKTCL would be ready with its assets by December 2014. This finding is in line with observation of the Commission in order dated 12.12.2018 in Review Petition Nos. 4/RP/2017 and 15/RP/2017 in Petition No. 156/TT/2015. The relevant extract is reproduced as under:

*“22. The Commission in the impugned order observed that on account of delay in COD of 400 kV bays in Parbati-II switchyard of NHPC, the instant transmission assets were put to use only on 3.11.2015 through an alternate arrangement and hence held that NHPC was responsible for the delay in COD of the instant assets from 30.6.2015 to 3.11.2015 and directed NHPC to bear the IDC and IEDC for the period of delay. NHPC has contended that availability of Parbati-II bay was not required for COD of the instant transmission lines and PKTCL was required to put the instant transmission lines by December, 2014 and PKTCL was not ready with the assets in December 2014. It is contended that it was pointed out by NHPC in its reply affidavit dated 30.1.2016 filed in Petition No. 156/TT/2015 that it was decided in the 32<sup>nd</sup> SCM meeting to by-pass Parbati-II and this aspect was not considered in the impugned order. Non-consideration of the said fact led to the conclusion in the impugned order that the delay occurred due to non-readiness of the 400 kV bays of Parbati-II within the scope of work of NHPC. **We are of the prima facie view that the 400 kV bays of Parbati-II were not required as a prerequisite for COD of the instant assets. It was further decided in the 32<sup>nd</sup> SCM that the instant assets were to be ready by December, 2014. However, the instant assets were ready only on 30.6.2015 as per PKTCL. Thus, the instant assets were not ready as planned in December, 2014. Moreover, PGCIL and PKTCL amended the Implementation Agreement on 24.1.2014 to put the instant assets into***



commercial operation in December, 2014 as agreed in the 32nd SCM and later amended the Implementation Agreement on 17.3.2015 to put the instant assets into commercial operation by 30.5.2015.

23. xxxxx

24. NHPC has further submitted that Parbati-III was commissioned on 24.3.2014 in all respects and the 400 kV 2nd bay at Parbati-III was also ready on 24.3.2014. However, the 2nd evacuation circuit of PKTCL was not available, and hence, it could not be charged. The second bay of Parbati-III was tested and ready for charging but could not be put into commercial operation alongwith Parbati-III as PKTCL's transmission assets were not ready. NHPC has submitted that the 400 kV bay was ready but was not put into use for more than a year and it required re-testing for the purpose of safety and security of equipments and this was mentioned in the e-mail sent by NHPC to PKTCL. According to NHPC, this aspect was wrongly interpreted by PKTCL as non-availability of the 2nd bay at Parbati-III HEP. This aspect was submitted by NHPC in the main petition vide affidavit dated 30.1.2016."

41. We observe that Petitioner has obtained CEA Energisation Certificate dated 30.6.2015 for Asset-I (a-j). The Petitioner has also submitted No Load certificate dated 20.7.2015 issued by NRLDC for successful No Load charging of Asset-I during 10.7.2015 to 11.7.2015.

42. We observe that the No load certificate is only for Asset-I (a-j). The reason for no power flow as indicated in the No Load certificate is non-availability of Parbati-II (NHPC) at remote end. However, we have already concluded in earlier part of this order that as per 32<sup>nd</sup> Standing Committee Meeting of NR dated 31.8.2013 read with letter dated 18.12.2013 written by PKTCL to PGCIL, availability of Parbati-II switchyard was not a necessary condition for commissioning of the instant assets of PKTCL. Also, PKTCL was supposed to connect Asset-I and Asset-II at Parbati-II (bypass loop) by December 2014. However, it is not clear from the no load certificate of NRLDC dated 20.7.2015 if loop {bypassing the two circuits i.e. one coming from Parbati Pooling Station (Asset-I) and other from Parbati-III generation (Asset-II) at Parbati-II} was completed by PKTCL as on 10.7.2015 when no load certificate was issued by NRLDC. The Petitioner has not filed any document on record to prove or



suggest when it completed the loop between Asset-I and Asset-II. We also observe that neither the CEA Energisation Certificate nor the NRLDC No load certificate certifies anything about the completion of associated communication system.

43. PKTCL had contended that bays of NHPC were not ready and, therefore, its assets could not be put to use. NHPC has submitted that it was only vide letter dated 2.7.2015 that it was informed by PKTCL about probable charging of its assets. NHPC has further submitted that though 2<sup>nd</sup> bay of Parbati-III HEP was ready, it needed re-testing in terms of Regulation 43 of CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010 (hereinafter referred to as 'the 2010 CEA Safety Regulations') and the same was a time consuming process. Parbati-III HEP informed this fact to PKTCL through e-mail dated 2.7.2015. NHPC has submitted that this fact was also mentioned by it in its reply dated 30.1.2016. Regulation 43 of the 2010 CEA Safety Regulations is reproduced below:

*“43. Approval by Electrical Inspector. – (1) Voltage above which electrical installations will be required to be inspected by the Electrical Inspector before commencement of supply or recommencement after shutdown for six months and above shall be as per the notification to be issued by the Appropriate Government, under clause (x) of sub-section (2) of section 176 and sub-section (1) of section 162 of the Act.*

*(2) Before making an application to the Electrical Inspector for permission to commence or recommence supply after an installation has been disconnected for six months and above at voltage exceeding 650 V to any person, the supplier shall ensure that electric supply lines or apparatus of voltage exceeding 650 V belonging to him are placed in positions properly joined and duly completed and examined and the supply of electricity shall not be commenced by the supplier for installations of voltage needing inspection under these regulations unless the provisions of regulations 12 to 29, 33 to 35, 44 to 51 and 55 to 77 have been complied with and the approval in writing of the Electrical Inspector has been obtained by him:*

*Provided that the supplier may energise the aforesaid electric supply lines or apparatus for the purpose of tests specified in regulations 46.”*

44. As per the above-mentioned provision of the 2010 CEA Safety Regulations, every electrical installation of notified voltage has to be re-inspected before recommencement of supply after any shut down of six months or more for ensuring



safety measures. Therefore, NHPC was required to get the 400 kV bay at Parbati-III for Parbati-III–Parbati-II line re-inspected after initial test charging of the said 400 kV bay in October 2013. We note that this issue was highlighted by NHPC and has been recorded in order of the Commission dated 12.12.2018 in Review Petition Nos. 4/RP/2017 and 15/RP/2017 in Petition No. 156/TT/2015.

45. Nothing is on record suggesting that PKTCL exchanged any correspondence with NHPC to show that it had informed NHPC about its expected readiness by 30.6.2015. Not having done that, it cannot be expected of NHPC to be ready with re-inspection of its bays. Accordingly, when PKTCL wrote to NHPC about commissioning of its assets, NHPC informed PKTCL through e-mail dated 2.7.2015 that the said bay is required to be inspected again in terms of the 2010 CEA Safety Regulations by an Electrical Inspector as it was test-charged over a year back. Since the completion of circuit for flow of power required coordination of three entities, namely, PKTCL, PGCIL and NHPC, it was for PKTCL to inform NHPC to keep its bays ready/ re-inspected at Parbati-III knowing fully well that PKTCL was delayed (as per 32<sup>nd</sup> Standing Committee Meeting of NR dated 31.08.2013 followed by letter dated 18.12.2013 written by PKTCL to PGCIL, assets were required to be ready by December 2014) and that the 2010 CEA Safety Regulations require such re-inspection. Not having done so, PKTCL cannot now blame NHPC for non-readiness of its Parbati-III bays (which were already charged in October 2013, but required re-testing since it was more than six months when PKTCL informed about readiness of its assets). In our view, despite NHPC being ready with its bays in 2013 and readiness of assets of the Petitioner (except for communication system) on 30.06.2015, power flow could not begin since the Petitioner did not inform NHPC



about its readiness. In any case, NHPC cannot be held responsible for the assets of PKTCL not being able to be put to use on 30.06.2015.

46. We also observe that Asset-I could be put to use only after connecting with Asset-II on availability of associated portion of LILO at Banala P.S end and Parbati-III end by PGCIL and associated bays at Banala P.S and Parbati-III, though PKTCL has claimed non-availability of associated bays at Parbati-II as a reason for claiming COD under proviso (ii) to Regulation 4(3) of the 2014 Tariff Regulations for Asset-I. .

47. PGCIL vide letter dated 15.10.2015 intimated NHPC about the readiness of 400 kV Parbati-III to Banala PS transmission line (via Parbati-II) Ckt-I and sought the readiness of associated 400 kV system at Parbati-III to commission PLCC and protection system. From the said PGCIL letter dated 15.10.2015, it can be inferred that the loop between Asset-I and Asset-II of the Petitioner was completed only around 15.10.2015.

48. NHPC has contended that complete communication system of 400 kV Parbati-III to Banala PS transmission line (via Parbati-II) was commissioned by 1.11.2015 and trial operation of the said line was completed successfully only on 3.11.2015. In this regard, it has referred to the minutes of meeting (enclosed with the Petition) held on 1.11.2015 between representatives of PGCIL, NHPC and BPL.

49. We observe that 2014 Tariff Regulations requires availability of communication system as a necessary condition to declare COD of a transmission asset. Regulations 4(3) and 5(2) of the 2014 Tariff Regulations provide as under:

*“4(3) Date of commercial operation in relation to a transmission system shall mean the date declared by the transmission licensee from 0000 hour of which an element of the*



*transmission system is in regular service after successful trial operation for transmitting electricity and communication signal from sending end to receiving end:*

*Provided that:*

*(i) where the transmission line or substation is dedicated for evacuation of power from a particular generating station, the generating company and transmission licensee shall endeavour to commission the generating station and the transmission system simultaneously as far as practicable and shall ensure the same through appropriate Implementation Agreement in accordance with Regulation 12(2) of these Regulations :*

*(ii) in case a transmission system or an element thereof is prevented from regular service for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof.*

*5(2) Trial operation in relation to a transmission system or an element thereof shall mean successful charging of the transmission system or an element thereof for 24 hours at continuous flow of power, and communication signal from sending end to receiving end and with requisite metering system, telemetry and protection system in service enclosing certificate to that effect from concerned Regional Load Dispatch Centre.”*

50. PKTCL has claimed COD of the assets under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. However, in terms of this regulation, the Commission can allow COD of an asset if such asset is prevented from regular service for reasons not attributable to the transmission licensee or its supplier or its contractors. Also, in terms of the above-mentioned provisions of the 2014 Tariff Regulations, the communication system of the transmission line has also to be successfully charged before the transmission line can be declared under COD. However, there is nothing on record to prove that the same was completed as on 30.6.2015.

51. We have observed in preceding paragraphs that availability of Parbati-II switchyard was not a necessary condition for execution of the instant assets of PKTCL. Also, PKTCL was well aware that Parbati-II was not going to declare its COD till September 2018 and that PKTCL was required to join its Assets-I and II by



December 2014 after by-passing the Parbati-II to provide alternate path. However, we note that the Petitioner has not submitted any documents to prove that it did so as on claimed date of COD i.e. 30.6.2015. In fact, as on 15.10.2015, the loop had not been completed by the Petitioner, when PGCIL intimated NHPC about the readiness of 400 kV Parbati-III to Banala PS transmission line (via Parbati-II) Ckt-I. Since the associated bay at Parbati-III was ready in October 2013 itself, NHPC cannot be held liable for delay in commissioning of PKTCL's assets. Rather PKTCL did not inform NHPC about readiness of its assets on 30.6.2015 and, therefore, NHPC could not get its bays re-inspected in terms of Regulations 43 of the 2010 CEA Safety Regulations. Further, the associated communication system was established only on 1.11.2015 which is a necessary condition to declare COD under the 2014 Tariff Regulations.

52. When multiple entities are involved in completion of a circuit or line, proper coordination amongst parties is necessary in order to ensure that asset is not stranded. In the present case, the Petitioner, that is claiming COD on basis of proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations, should have ensured that NHPC is properly informed about readiness of its assets so that NHPC could have got its bays re-inspected (more so when the Petitioner itself was delayed from the agreed date of commissioning in December 2014). However, we notice that lack of coordination amongst the entities led to a situation in which associated bays of Parbati-III could not be re-tested as per the 2010 CEA Safety Regulations as on the date matching with claimed completion date of assets of the Petitioner i.e. 30.6.2015. Flow of power through instant assets of the Petitioner could not take place on account of fault of the Petitioner and NHPC cannot be held responsible for this. In view of the facts and circumstances of the present case, we are not inclined to accept



the plea of the Petitioner that non-flow of power on PKTCL's assets was beyond its control and we are rather of the view that proper coordination by the Petitioner could have averted the situation.

53. In sum, (i) availability of Parbati-II switchyard was not a necessary condition for commissioning of the instant assets of PKTCL; (ii) despite NHPC being ready with its bays in 2013 and readiness of assets of the Petitioner (except for communication system) on 30.06.2015, power flow could not begin since the Petitioner did not inform NHPC about its readiness; (iii) the loop (bypassing the two circuits i.e. one coming from Parbati Pooling Station and other from Parbati-III generation at Parbati-II) had not been completed by the Petitioner prior to 15.10.2015, when PGCIL intimated NHPC about the readiness of 400 kV Parbati-III to Banala PS transmission line (via Parbati-II) Ckt-I; (iv) complete communication system of 400 kV Parbati-III to Banala PS transmission line (via Parbati-II) was commissioned by 1.11.2015 and trial operation of the said line was completed successfully only on 3.11.2015; and (v) lack of coordination amongst the entities led to a situation in which associated bays of Parbati-III could not be re-tested as per the 2010 CEA Safety Regulations as on the date matching with claimed completion date of assets of the Petitioner i.e. 30.6.2015. In view thereof, we cannot approve COD of the instant assets as 30.6.2015 in terms of proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations.

**Issue No.(ii): What should be the treatment of transmission charges or IDC/IEDC for the period from 30.6.2015 to 2.11.2015?**

54. In view of the facts and circumstances of the present case as discussed in detail above, the COD of the Assets-I and II as 30.6.2015 has not been accepted. Thus, having held that COD of the assets is 3.11.2015, no IDC/IEDC or any transmission charge can be allowed during the period from 30.6.2015 to 2.11.2015.



Any IDC/IEDC, if already paid by NHPC for the period 30.6.2015 to 2.11.2015 in terms of order of the Commission dated 29.12.2016, shall be refunded to NHPC by PKTCL within one month from the date of passing of this order.

**Issue No.(iii): Whether IEDC should be restricted to 5.00% of the hard cost or 11.77% of the hard cost as per Revised Cost Estimate (RCE)?**

55. The Petitioner, vide affidavit dated 20.5.2020, has claimed ₹373.71 lakh and ₹328.02 lakh in respect of Incidental Expenditure During Construction (IEDC) for Asset-I and Asset-II respectively as per Auditor certificates dated 12.9.2019. The Petitioner has also submitted details of IEDC along with discharge details duly certified by the auditor which is reconciled with the certificates for expenditure incurred that has been submitted by the Petitioner. Auditor's certificates submitted by the Petitioner comprise the discharge detail of liability in respect of IEDC. Therefore, the adjustment of IEDC in respect of liability discharged otherwise is not required. Further, since the Petitioner has claimed IEDC up to 30.6.2015 for the instant assets, no adjustment, considering the disallowance of IEDC for the period from 30.6.2015 to 2.11.2015, is required.

56. IEDC of ₹373.71 lakh and ₹328.02 lakh claimed for Asset-I and Asset-II respectively, have been allowed in the instant petition which is subject to re-consideration at the time of truing up in the light of the directions of Appellate Tribunal for Electricity (APTEL) in judgment dated 2.12.2019 in Appeal No. 95 of 2018 and Appeal No.140 of 2018.

**Issue No.(iv): Other Issue - Sharing of Charges by Sainj HEP and typographical errors in paragraphs 15 and 40 of the order dated 29.12.2016 in Petition No. 156/TT/2015.**



57. One of the contentions of NHPC in Review Petition No. 15/RP/2017 is that Sainj HEP should also be held responsible for delay for the period from 30.6.2015 to 2.11.2015 as the instant assets are also being used by Sainj HEP along with NHPC.

58. We have examined the contention of NHPC. We do not find anything on record that delay in commissioning of Sainj HEP has in any way affected COD of Assets-I and II. Rather, Sainj HEP has been commissioned in 2017 whereas power flow started in the instant assets in 2015, much before the commissioning of Sainj HEP. No documents are on record to show that due to non-availability of Sainj HEP, the Petitioner could not execute the instant assets. This contention of NHPC is accordingly rejected.

59. As regards the issue of typographical errors in paragraphs 15 and 40 of the order dated 29.12.2016 in Petition No. 156/TT/2015 as raised by the Petitioner, the same is considered on merits in this order in paragraphs dealing with Interest on Working Capital and IEDC.

### **TRANSMISSION CHARGES**

60. Having dealt with the issues, we now proceed to determine the transmission charges of the instant assets.

### **Capital Cost**

61. Clauses (1) and (2) of Regulation 9 of the 2014 Tariff Regulations provide as follows:

*“(1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects.*



(2) *The Capital Cost of a new project shall include the following:*

- (a) the expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*
- (c) Increase in cost in contract packages as approved by the Commission; (d) Interest during construction and incidental expenditure during construction as computed in accordance with Regulation 11 of these regulations;*
- (e) Capitalised Initial spares subject to the ceiling rates specified in Regulation 13 of these regulations;*
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with Regulation 14 of these regulations;*
- (g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the COD as specified under Regulation 18 of these regulations; and*
- (h) adjustment of any revenue earned by the transmission licensee by using the assets before COD.”*

62. The Commission issued tariff order of instant assets vide order dated 29.12.2016 in the instant petition on the basis of capital cost furnished by the Petitioner at that time. The capital cost was based on Management Certificate since COD was proposed under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations.

63. The Commission vide Record of Proceedings for hearing dated 13.2.2020 directed the Petitioner to place on record the following information:

- “(i) Auditor’s certificate for actual expenditure incurred as on COD and for year wise additional capital expenditure thereafter up to 31.3.2019.*
- (ii) Tariff forms, as per Regulations, corresponding to the cost incurred as per above auditor’s certificate.*
- (iii) Documents in support of dates of drawl of loans, repayments schedule of loan, interest rates, interest payments of loans and un-discharged liability of IDC.*
- (iv) Discharge of IDC on cash basis and accrued liabilities therein.*



*(v) Auditor certified statement for IEDC and separate information related to discharge of IEDC liability up to COD, and thereafter, if any.*

*(vi) Calculation of IEDC claim, in excel sheet, with links.*

*(vii) Confirm, if there has been any default in payment of interest, at any point of time.*

*(viii) Actual tax details as per Regulation 25(3) of 2014 Tariff Regulations.”*

64. In response, the Petitioner vide affidavit dated 21.5.2020 has submitted the following:

(i) Auditor's certificates dated 12.9.2019 and 22.10.2019 in respect of instant assets indicating the capital cost as on COD of 3.11.2015, additional capital expenditure and details of initial spares expenditure etc.

(ii) Tariff forms for the instant assets on the basis of above Auditor's certificates dated 12.9.2019 and 22.10.2019.

(iii) Details of IDC including dates of drawl for the loans, repayment schedule, undischarged liabilities etc along with supporting documents like loan agreements with lenders and bank statements etc.

(iv) Details of undischarged IDC and discharge of IDC on cash basis.

(v) Auditor certified statement for IEDC and discharge details of IEDC liability vide certificates dated 7.5.2020 in respect of instant assets.

(vi) The calculation details of Petitioner's IEDC claims in excell sheets.

(vii) Confirmation regarding 'no' default in payment of interest, at any point in time.

(viii) Actual tax details, applicable Minimum Alternate Tax (MAT) actually paid by the Petitioner and accordingly the tariff forms have been submitted.

65. The Petitioner vide affidavit dated 21.5.2020 has submitted the Auditor's certificates dated 12.9.2019 wherein the expenditure against transmission line has been indicated. We observe that the Petitioner has not submitted Auditor's



certificates in respect of element-wise expenditure incurred for the instant assets. Therefore, for the purpose of tariff calculations, the element-wise (transmission line, land, building and civil works) expenditure incurred for the instant assets as per Form-10 (*Calculation of Depreciation Rate*) has been considered subject to submission of the Auditor's certificates in respect of element-wise break-up of capital cost for the instant assets at the time of true-up.

66. Further, on the basis of available information, the pro-rata additional capital expenditure has been considered as claimed during FY 2015-16 as a part of capital cost as on approved COD i.e. 3.11.2015 and additional capitalization incurred for the period from COD to 31.3.2019 for the assets covered in the petition.

67. Accordingly, the details of the pro-rata capital cost as on approved COD i.e. 3.11.2015 and pro-rata additional capitalization incurred from approved COD to 31.3.2019 for the instant assets and considered for the purpose of computation of tariff, subject to true up of 2014-19 tariff period are as below:

(₹ in lakh)

Particulars	Asset-I					Total Completion Cost
	Pro-Rata Capital Cost as on COD (03.11.2015) (Cash Basis)	Additional Capital Expenditure for FY			2018-19	
		Pro-Rata COD (03.11.2015) to 31.03.2016	2016-17	2017-18		
Freehold Land	6.18	7.25	0.00	0.00	0.00	13.43
Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00
Building & Other Civil Works	34.18	3.54	0.00	21.27	0.00	58.99
Transmission Line	4036.84	221.16	323.83	87.31	0.00	4669.14
Sub-Station	0.00	0.00	0.00	0.00	0.00	0.00
PLCC	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>4077.20</b>	<b>231.95</b>	<b>323.83</b>	<b>108.58</b>	<b>0.00</b>	<b>4741.56</b>



Particulars	Asset-II					Total Completion Cost
	Pro-Rata Capital Cost as on COD (03.11.2015) (Cash Basis)	Additional Capital Expenditure for FY			2018-19	
		Pro-Rata COD (03.11.2015) to 31.03.2016	2016-17	2017-18		
Freehold Land	5.43	6.36	0.00	0.00	0.00	11.79
Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00
Building & Other Civil Works	30.00	3.10	0.00	18.67	0.00	51.77
Transmission Line	3543.25	194.12	284.23	76.63	0.00	4098.23
Sub-Station	0.00	0.00	0.00	0.00	0.00	0.00
PLCC	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>3578.67</b>	<b>203.59</b>	<b>284.23</b>	<b>95.30</b>	<b>0.00</b>	<b>4161.79</b>

68. Accordingly, based on above tables, the pro-rata capital cost considered for the purpose of tariff before adjustment of IEDC/IDC and Initial Spares, if any, as on COD, subject to true up, has been summarised as below:

(₹ in lakh)			
Assets	Approved COD	Pro-rata Capital Cost considered for the purpose of tariff before adjustment of IEDC/IDC & Initial Spares, if any, as on COD	Applicable Tariff period
Asset-I	3.11.2015	4077.20	3.11.2015 to 31.3.2019
Asset-II	3.11.2015	3578.67	

### **Cost Over-run**

69. The issue of cost over-run has already been decided vide order dated 29.12.2016 in Petition No. 156/TT/2015 wherein the Commission observed as under:

*“29. The total estimated completion cost of instant assets is within the RCE. Hence, there is no cost over-run in the case of instant assets.”*

70. None of the Respondents have raised any objection after the issuance of aforesaid order dated 29.12.2016. Therefore, we take that the issue of cost overrun has attained finality.



### **Time over-run**

71. The Commission vide order dated 29.12.2016 in Petition No. 156/TT/2015 has dealt with the issue of time over-run in detail observing as under:

*“36. We are of the view that time over-runs due to delay in commissioning of Koldam HEP, Parbati III HEP, forest clearance, RoW issues and adverse weather conditions were beyond the control of petitioner. Accordingly, the time over-run of 78 months in commissioning of the instant assets is condoned.”*

72. None of the Respondents have raised any objection to the findings of Commission with regard to time over-run after the issuance of the said order dated 29.12.2016. Hence, the issue of time over-run has attained finality.

73. We have approved the COD of the instant assets as 3.11.2015. Thus, time over-run from SCoD up to 2.11.2015, excluding the condoned period of 78 months, is not condoned.

### **Interest During Construction (IDC)**

74. Petitioner has claimed Interest during Construction (IDC) of ₹901.18 lakh and ₹790.99 lakh up to claimed COD i.e. 30.6.2015 for Asset-I and II, respectively and submitted Auditor's certificate in support of the same. The Auditor's certificates for expenditure incurred comprise of the discharge detail of liability in respect of IDC. Therefore, the adjustment of IDC in respect of liability discharged and otherwise is not required. The Petitioner has claimed IDC up to the claimed COD i.e., 30.6.2015 for the instant assets. However, no adjustment, considering the disallowance of IDC from 30.6.2015 to 2.11.2015, is required.

75. Further, the Petitioner has not submitted calculation/ statement of IDC comprising dates and amount of drawl of the loans deployed for the assets, rate of interest of the loans for each drawl and repayment for the assets in hard copy along



with soft copy in excel sheet. The Petitioner, instead has submitted Bank Statement/ Journal Entries of bank transactions.

76. In view of the above, the claimed IDC of ₹901.18 lakh and ₹790.99 lakh up to 30.6.2015 for Assets-I and II, respectively are being considered in the capital cost as on the approved COD i.e. 3.11.2015, which shall be subject to prudence check after submission of separate calculation/ statement of IDC comprising of dates and amount of each drawl of the loans, rate of interest of the loans for each drawl and repayment schedule of the loans deployed for the Assets at the time of true up of 2014-19.

**Incident Expenditure During Construction (IEDC)**

77. The Petitioner, vide affidavit dated 20.5.2020, has claimed ₹373.71 lakh and ₹328.02 lakh in respect of Incidental Expenditure During Construction (IEDC) for Asset-I and II, respectively and submitted Auditor's certificates dated 12.9.2019 in support of the same. The Petitioner has also submitted details of IEDC along with discharged detail duly certified by the Auditor which is reconciled with the certificates for expenditure incurred submitted by the Petitioner. Auditor's certificates for expenditure incurred submitted by the Petitioner comprise of the discharge detail of liability in respect of IEDC. Therefore, the adjustment of IEDC in respect of liability discharged is otherwise not required. The Petitioner has claimed IEDC up to the claimed COD i.e., 30.6.2015 for the instant assets. However, no adjustment, considering the disallowance of IEDC from 30.6.2015 to 2.11.2015, is required.

78. The IEDC of ₹373.71 lakh and ₹328.02 lakh claimed by the Petitioner for Assets-I and II, respectively has been allowed in the instant petition. In line with the order dated 4.2.2020 in Petition No.1/TT/2019, the IEDC of the complete projects



shall be subject to re-consideration in the light of the directions APTEL in judgment dated 2.12.2019 in Appeal No. 95 of 2018 and Appeal No. 140 of 2018, at the time of truing up of 2014-19 tariff period. The Petitioner is directed to submit the actual IEDC corresponding to each asset of the project at the time of filing petition for true up.

### **Initial Spares**

79. Regulation 13 of the 2014 Tariff Regulations provide ceiling norms for capitalization of initial spares in respect of transmission system as under:

#### ***“13. Initial Spares***

*Initial spares shall be capitalised as a percentage of the Plant and Machinery cost upto cut-off date, subject to following ceiling norms:*

*(d) Transmission system*

*(i) Transmission line - 1.00%*

*(ii) Transmission Sub-station (Green Field) - 4.00%*

*(iii) Transmission Sub-station (Brown Field) - 6.00%*

*(iv) Series Compensation devices and HVDC Station - 4.00%*

*(v) Gas Insulated Sub-station (GIS)-5.00%*

*(vi) Communication system-3.5%*

*Provided that:*

*(i) where the benchmark norms for initial spares have been published as part of the benchmark norms for capital cost by the Commission, such norms shall apply to the exclusion of the norms specified above:*

*(ii) -----*

*(iii) Once the transmission project is commissioned, the cost of initial spares shall be restricted on the basis of plant and machinery cost corresponding to the transmission project at the time of truing up:*

*(iv) for the purpose of computing the cost of initial spares, plant and machinery cost shall be considered as project cost as on cut-off date excluding IDC, IEDC, Land Cost and cost of civil works. The transmission licensee shall submit the breakup of head wise IDC & IEDC in its tariff application.”*



80. The Petitioner has submitted separate Auditor's Certificates dated 22.10.2019 for Initial Spares claim including discharge detail. Through the Auditor's certificate, the Petitioner has claimed Initial Spares amounting to ₹4669.13 lakh and ₹4098.22 lakh for Asset-I and II, respectively, corresponding to transmission line. We observe that the claimed Initial Spares are approximately 98.50% of the total capital cost claimed in both the Assets-I and II. There appears to be an inadvertent error in the Auditor's Certificate dated 22.10.2019 in so far as initial spares is concerned. Therefore, we are not relying on the aforesaid Auditor's certificates dated 22.10.2019 in respect of instant assets.

81. However, as per tariff Form-13, the Petitioner has claimed Initial Spares amounting to ₹36.82 lakh and ₹32.33 lakh for Assets-I and II, respectively, corresponding to transmission line. These claims seem reasonable and are considered in our tariff calculations subject to submission of the reasons of this huge difference in the Initial Spares figures as per Auditor's certificates and those as per Forms. Further, the Petitioner has not claimed Initial Spares towards sub-station.

82. The Initial Spares have been worked out considering the ceiling mentioned in the 2014 Tariff Regulations. Accordingly, the allowable Initial Spares for instant assets for the purpose of tariff calculations, subject to true-up of 2014-19 tariff period, is as below:



(₹ in lakh)

Particulars		Total Capital Cost (Plant and machinery cost excluding IDC, IEDC, Land cost and cost of Civil works) up to Cut-off date (31.03.2019)	Initial Spares Claimed against Capital Cost Claimed	Ceiling Limit as per 2014 Tariff Regulations	Initial Spares worked out	Excess Initial Spares claimed
		(a)	(b)	(c)	(d)	(e)
<b>Asset-I</b>	T/L	2698.94	36.82	1.00%	26.89	<b>9.93</b>
<b>Asset-II</b>	T/L	2368.93	32.33	1.00%	23.60	<b>8.73</b>

83. The excess Initial Spares as per above table have been deducted from the capital cost of the assets as on tariff COD. Further, the Petitioner has not submitted discharge details of the Initial Spares claimed and considered as per Form-13. Therefore, for the purpose of tariff calculation, it has been assumed that the Initial Spares are discharged as on COD. This is subject to the submission of discharged detail at the time of true up of 2014-19 tariff period. Hence, the Petitioner is directed to submit discharged detail of initial spares of instant assets at the time of true up of 2014-19 tariff period.

84. Accordingly, the following capital cost is allowed as on COD after scrutiny of IDC/ IEDC and adjustment of Initial Spares, as per Regulation 9(2) of the 2014 Tariff Regulations, for the purpose of tariff calculations, subject to true-up for the 2014-19 tariff period:

(₹ in lakh)

Assets	Capital cost as on COD before adjustment of IDC, IEDC and Initial Spares	Less: Adjustment on account of IDC & IEDC as on COD	Less: Excess Initial Spares as on COD	Capital Cost as on COD after considering IDC, IEDC and Initial Spares
Asset-I	4077.20	0.00	9.93	4067.27
Asset-II	3578.67	0.00	8.73	3569.94



### **Additional Capital Expenditure (ACE)**

85. Clause (1) of Regulation 14 of the 2014 Tariff Regulations provides as under:

*“(1) The capital expenditure in respect of the new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:*

*(i) Undischarged liabilities recognised to be payable at a future date;*

*(ii) Works deferred for execution;*

*(iii) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 13;*

*(iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and*

*(v) Change in Law or compliance of any existing law:*

*Provided that the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution shall be submitted along with the application for determination of tariff.”*

86. Clause (13) of Regulation 3 of the 2014 Tariff Regulations defines “cut-off” date as under:

*“cut-off date” means 31<sup>st</sup> March of the year closing after two years of the year of commercial operation of whole or part of the project, and in case the whole or part of the project is declared under commercial operation in the last quarter of the year, the cut-off date shall be 31<sup>st</sup> March of the year closing after three years of the year of commercial operation”.*

87. Accordingly, the cut-off date in respect of the instant Assets-I and II comes to 31.3.2018.

88. The Petitioner vide affidavit dated 12.9.2019 has claimed the following Additional Capital Expenditure (ACE) for the instant transmission assets towards balance and retention payments under Regulation 14(1) of the 2014 Tariff Regulations and submitted Auditor’s certificates dated 12.9.2019 in support of the same:



(₹ in lakh)

Asset	Actual / Projected ACE			Total ACE
	2015-16	2016-17	2017-18	
Asset-I	429.66	323.83	108.58	862.07
Asset-II	377.12	284.23	95.30	756.65

89. ACE in the above table is inclusive of discharge of liabilities in respect of IDC and IEDC. ACE claimed during 2014-19 is for balance and retention payment and within cut-off date and allowed as per Regulation 14(1) of the 2014 Tariff Regulations.

90. However, we have considered pro-rata additional capital expenditure claimed during the FY 2015-16 as a part of capital cost as on tariff COD i.e. 3.11.2015 and considered the details of additional capitalization incurred for the period from approved COD i.e. 3.11.2015 to 31.3.2019 for the assets covered in the petition are as below:

(₹ in lakh)

Asset	Pro-Rata Capital Cost as on Tariff approved COD (03.11.2015) (Cash Basis)	Pro-Rata ACE from approved COD (03.11.2015) to 31.03.2016	ACE during FY 2016-17	ACE during FY 2017-18	Total Completion Cost
Asset-I	4067.27	231.95	323.83	108.58	<b>4731.63</b>
Asset-II	3569.94	203.59	284.23	95.30	<b>4153.06</b>

### **Debt-Equity Ratio**

91. Clauses 1 and 5 of Regulation 19 of the 2014 Tariff Regulations specifies as follows:

*“(1) For a project declared under commercial operation on or after 1.4.2014, the debt-equity ratio would be considered as 70:30 as on COD. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:*

*Provided that:*

*i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff;*



ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment;

iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt : equity ratio;

**Explanation.-**The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.”

“(5) Any expenditure incurred or projected to be incurred on or after 1.4.2014 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this regulation.”

92. The Petitioner has considered debt-equity ratio as 70:30 as on COD and for additional capitalization during 2014-19 period as provided under Regulation 19 of the 2014 Tariff Regulations. The details of debt-equity ratio as on the date of COD and as on 31.3.2019 considered for the purpose of tariff computation for the 2014-19 tariff period are as under:

Asset-I	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	%	Amount (₹ in lakh)	%
Debt	2847.09	70.00%	3312.14	70.00%
Equity	1220.18	30.00%	1419.49	30.00%
<b>Total</b>	<b>4067.27</b>	<b>100.00%</b>	<b>4731.63</b>	<b>100.00%</b>

Asset-II	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	%	Amount (₹ in lakh)	%
Debt	2,498.96	70.00%	2907.14	70.00%
Equity	1,070.98	30.00%	1245.92	30.00%
<b>Total</b>	<b>3569.94</b>	<b>100.00%</b>	<b>4153.06</b>	<b>100.00%</b>

### **Interest on Loan (IOL)**

93. Regulation 26 of the 2014 Tariff Regulations are provides as under:

“(1) The loans arrived at in the manner indicated in regulation 19 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2014 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2014 from the gross normative loan.



(3) The repayment for each of the year of the tariff period 2014-19 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of decapitalisation of such asset.

(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized.

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered.

Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.”

94. The Petitioner vide affidavit dated 21.5.2020 has submitted that there has been no default in payment of interest at any point in time. We have considered the above submission of the Petitioner and various other submissions and supporting calculations attached with the aforesaid affidavit dated 21.5.2020. The Petitioner has not submitted documentary proof in respect of repayment schedule of re-financing loan, like IDFC loan and NIIF loan and rate of interest applied thereon. Therefore, the Petitioner is directed to submit documentary proof in respect of repayment schedule of re-financing loan, like IDFC loan and NIIF loan and rate of interest applied thereon at the time of true up of 2014-19 tariff period. The details of IOL allowed are as follows:

Particulars	Asset-I			
	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	2847.09	3009.45	3236.14	3312.14
Cumulative Repayment upto Previous Year	0.00	90.27	324.38	569.69
Net Loan-Opening	2847.09	2919.18	2911.76	2742.45
Addition due to Additional Capitalisation	162.37	226.68	76.01	0.00
Repayment during the year	90.27	234.11	245.32	247.98



Net Loan-Closing	2919.18	2911.76	2742.45	2494.47
Average Loan	2883.13	2915.47	2827.10	2618.46
Weighted Average Rate of Interest on Loan	12.9136%	11.1453%	9.1100%	8.9900%
Interest	153.01	324.94	257.55	235.40

(₹ in lakh)

Particulars	Asset-II			
	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	2498.96	2641.47	2840.43	2907.14
Cumulative Repayment upto Previous Year	0.00	79.23	284.71	500.03
Net Loan-Opening	2498.96	2562.24	2555.72	2407.11
Addition due to Additional Capitalisation	142.51	198.96	66.71	0.00
Repayment during the year	79.23	205.48	215.32	217.65
Net Loan-Closing	2562.24	2555.72	2407.11	2189.45
Average Loan	2530.60	2558.98	2481.41	2298.28
Weighted Average Rate of Interest on Loan	12.9136%	11.1453%	9.1100%	8.9900%
Interest	134.30	285.21	226.06	206.62

### **Return on Equity (ROE)**

95. Clauses (1) and (2) of Regulation 24 and Clause (2) of Regulation 25 of the 2014 Tariff Regulations specify as under:

**“24. Return on Equity:** (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 19.

(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating stations, transmission system including communication system and run of the river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run of river generating station with pondage:

Provided that:

- (i) in case of projects commissioned on or after 1st April, 2014, an additional return of 0.50 % shall be allowed, if such projects are completed within the timeline specified in **Appendix-I**:
- (ii) the additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for reasons whatsoever:
- (iii) additional RoE of 0.50% may be allowed if any element of the transmission project is completed within the specified timeline and it is certified by the Regional Power Committee/National Power Committee that commissioning of the particular element will benefit the system operation in the regional/national grid:
- (iv) the rate of return of a new project shall be reduced by 1% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO)/ Free Governor Mode Operation



*(FGMO), data telemetry, communication system up to load dispatch centre or protection system:*

- (v) as and when any of the above requirements are found lacking in a generating station based on the report submitted by the respective RLDC, RoE shall be reduced by 1% for the period for which the deficiency continues:*
- (vi) additional RoE shall not be admissible for transmission line having length of less than 50 kilometers.*

**“25. Tax on Return on Equity:**

*(1) The base rate of return on equity as allowed by the Commission under Regulation 24 shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax income on other income stream (i.e., income of non generation or non transmission business, as the case may be) shall not be considered for the calculation of “effective tax rate”.*

*(2) Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:*

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

*Where “t” is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.”*

96. The Petitioner is entitled for ROE of the instant assets in terms of Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that it is liable to pay income tax at MAT rates. As per tariff Form-3 submitted in the petition, Effective Tax Rates/ MAT Rates paid by the Petitioner are 20.96%, 21.34%, 21.34% and 21.55% for the FY 2015-16, 2016-17, 2017-18 and 2018-19, respectively. Accordingly, Pre-tax ROE of 19.610%, 19.705%, 19.705% and 19.758% for the FY 2015-16, 2016-17, 2017-18 and 2018-19, respectively have been considered. ROE is being allowed subject to the submission of the calculations of Effective Tax Rate



and/or documentary evidence of the MAT Rate by the petitioner and prudence check at the time of true up.

97. Accordingly, ROE allowed for the instant assets, subject to true up, is as under:

(₹ in lakh)

Particulars	Asset-I			
	2015-16	2016-17	2017-18	2018-19
Opening Equity	1220.18	1289.77	1386.92	1419.49
Additional Capitalization	69.59	97.15	32.57	0.00
Closing Equity	1289.77	1386.92	1419.49	1419.49
Average Equity	1254.97	1338.34	1403.20	1419.49
Return on Equity (Base Rate) (%)	15.50%	15.50%	15.50%	15.50%
MAT rate for the financial year (%)	20.960%	21.340%	21.340%	21.550%
Rate of Return on Equity (Pre Tax) (%)	19.610%	19.705%	19.705%	19.758%
<b>Return on Equity (Pre-tax)</b>	<b>101.14</b>	<b>263.72</b>	<b>276.50</b>	<b>280.46</b>

(₹ in lakh)

Particulars	Asset-II			
	2015-16	2016-17	2017-18	2018-19
Opening Equity	1070.98	1132.06	1217.33	1245.92
Additional Capitalization	61.08	85.27	28.59	0.00
Closing Equity	1132.06	1217.33	1245.92	1245.92
Average Equity	1101.52	1174.69	1231.62	1245.92
Return on Equity (Base Rate) (%)	15.50%	15.50%	15.50%	15.50%
MAT rate for the financial year (%)	20.960%	21.340%	21.340%	21.550%
Rate of Return on Equity (Pre Tax) (%)	19.610%	19.705%	19.705%	19.758%
<b>Return on Equity (Pre-tax)</b>	<b>88.77</b>	<b>231.47</b>	<b>242.69</b>	<b>246.17</b>

### Depreciation

98. Regulation 27 of the 2014 Tariff Regulations with regard to depreciation specifies as follows:

**"27. Depreciation:**

*(1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system including communication system or element thereof. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units or elements thereof.*



*Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which single tariff needs to be determined.*

*(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of transmission system, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.*

*(3) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:*

*Provided that in case of hydro generating station, the salvage value shall be as provided in the agreement signed by the developers with the State Government for development of the Plant:*

*Provided further that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:*

*Provided also that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.*

*4) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.*

*(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in **Appendix-II** to these regulations for the assets of the generating station and transmission system:*

*Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.*

*(6) In case of the existing projects, the balance depreciable value as on 1.4.2014 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2014 from the gross depreciable value of the assets.”*

99. The Petitioner has claimed actual depreciation as a component of Annual Fixed Charges. We have considered depreciation as per Regulation 27 of the 2014 Tariff Regulations. All the assets covered in the instant petition were put into commercial operation between on 3.11.2015 and they will accordingly complete 12 years beyond 2018-19. We have, therefore, calculated depreciation annually based



on Straight Line Method at rates specified in Appendix-II. Accordingly, depreciation has been worked out on the basis of capital expenditure as on COD and additional capitalization incurred/projected to be incurred thereafter. The depreciation for the first year has been calculated on pro rata basis for the year/part of year.

100. The depreciation allowed for the assets is as under:

(₹ in lakh)

Particulars	Asset-I			
	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	4067.27	4299.22	4623.05	4731.63
Additional Capital Expenditure	231.95	323.83	108.58	0.00
Closing Gross Block	4299.22	4623.05	4731.63	4731.63
Average Gross Block	4183.24	4461.14	4677.34	4731.63
Rate of Depreciation	5.2510%	5.2477%	5.2448%	5.2408%
Depreciable Value	3756.09	4002.93	4197.52	4246.38
Remaining Depreciable Value	3756.09	3912.66	3873.14	3676.69
<b>Depreciation</b>	<b>90.27</b>	<b>234.11</b>	<b>245.32</b>	<b>247.98</b>

(₹ in lakh)

Particulars	Asset-II			
	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	3569.94	3773.53	4057.76	4153.06
Additional Capital Expenditure	203.59	284.23	95.30	0.00
Closing Gross Block	3773.53	4057.76	4153.06	4153.06
Average Gross Block	3671.74	3915.65	4105.41	4153.06
Rate of Depreciation	5.2510%	5.2477%	5.2448%	5.2408%
Depreciable Value	3296.82	3513.47	3684.26	3727.14
Remaining Depreciable Value	3296.82	3434.24	3399.54	3227.11
<b>Depreciation</b>	<b>79.23</b>	<b>205.48</b>	<b>215.32</b>	<b>217.65</b>

### **Operation and Maintenance Expenses**

101. The O&M Expenditure has been considered as allowed vide order 29.12.2016 in Petition No. 156/TT/2015 for the purpose of tariff calculation.

### **Interest on Working Capital (IWC)**

102. Clause 1(c) of Regulation 28 and Clause 5 of Regulation 3 of the 2014 Tariff Regulations specify as follows:



**“28. Interest on Working Capital**

(1) *The working capital shall cover:*

(c) *Hydro generating station including pumped storage hydroelectric generating station and transmission system including communication system:*

(i) *Receivables equivalent to two months of fixed cost;*

(ii) *Maintenance spares @ 15% of operation and maintenance expenses specified in regulation 29; and*

(iii) *Operation and maintenance expenses for one month”*

(3) *Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2014 or as on 1st April of the year during the tariff period 2014-15 to 2018-19 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later.*

“(5) ‘Bank Rate’ means the base rate of interest as specified by the State Bank of India from time to time or any replacement thereof for the time being in effect plus 350 basis points;”

103. As per the 2014 Tariff Regulations, the components of the working capital and the interest thereon are discussed as under:

**a) Maintenance spares:**

Maintenance spares @ 15% Operation and maintenance expenses specified in Regulation 28.

**b) O & M Expenses:**

Operation and Maintenance 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 the 2014 Tariff Regulations, SBI Base Rate Plus 350 Bps as on 1.4.2015 (i.e. 13.50%) has been considered as the rate of interest on working capital for all the assets.

104. Accordingly, the interest on working capital is summarized as under:



(₹ in lakh)

Particulars	Asset-I			
	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	1.23	1.25	1.29	1.33
O & M Expenses	0.68	0.69	0.72	0.74
Receivables	144.34	141.74	134.39	131.80
<b>Total</b>	<b>146.25</b>	<b>143.68</b>	<b>136.40</b>	<b>133.87</b>
Rate of Interest	13.50%	13.50%	13.50%	13.50%
<b>Interest on Working Capital</b>	<b>8.11</b>	<b>19.40</b>	<b>18.41</b>	<b>18.07</b>

Particulars	Asset-II			
	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	2.64	1.06	1.09	1.13
O & M Expenses	1.46	0.59	0.61	0.63
Receivables	128.51	124.37	117.91	115.63
<b>Total</b>	<b>132.61</b>	<b>126.01</b>	<b>119.61</b>	<b>117.39</b>
Rate of Interest	13.50%	13.50%	13.50%	13.50%
<b>Interest on Working Capital</b>	<b>7.36</b>	<b>17.01</b>	<b>16.15</b>	<b>15.85</b>

**Transmission charges**

105. The transmission charges allowed for the instant transmission assets are summarized as under:

(₹ in lakh)

Particulars	Asset-I			
	2015-16	2016-17	2017-18	2018-19
Depreciation	90.27	234.11	245.32	247.98
Interest on Loan	153.01	324.94	257.55	235.40
Return on Equity	101.14	263.72	276.50	280.46
Interest on WC	8.11	19.40	18.41	18.07
O&M Expenses	3.37	8.30	8.58	8.87
<b>Total</b>	<b>355.90</b>	<b>850.46</b>	<b>806.36</b>	<b>790.78</b>

(₹ in lakh)

Particulars	Asset-II			
	2015-16	2016-17	2017-18	2018-19
Depreciation	79.23	205.48	215.32	217.65
Interest on Loan	134.30	285.21	226.06	206.62
Return on Equity	88.77	231.47	242.69	246.17
Interest on WC	7.36	17.01	16.15	15.85
O&M Expenses	7.22	7.04	7.27	7.52
<b>Total</b>	<b>316.88</b>	<b>746.21</b>	<b>707.49</b>	<b>693.81</b>



### **Filing Fee and the Publication Expenses**

106. 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.

### **Licence Fee and RLDC fees and Charges**

107. The Petitioner has prayed 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.

### **Goods and Services Tax**

108. The Petitioner has prayed for reimbursement of tax, if any, on account of implementation of GST. GST is not levied on transmission service at present and we are of the view that Petitioner's prayer is premature.

### **Sharing of Transmission Charges**

109. The billing, collection and disbursement of the transmission charges approved in this order shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time as provided in Regulation 43 of the 2014 Tariff Regulations.



110. This order disposes of Petition No. 156/TT/2015.

**sd/-**  
**(I. S. Jha)**  
**Member**

**sd/-**  
**(P. K. Pujari)**  
**Chairperson**

