

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

PETITION NO. 210/TT/2024

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member**

Date of Order: 10.03.2026

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for determination of transmission tariff from the COD to 31.3.2024 for Transmission Asset under "Transmission System for Power evacuation from ARUN-3 (900 MW) HEP, Nepal of M/s SAPDC – Indian Portion" in the Eastern Region.

And in the matter of:

**Power Grid Corporation of India Limited,
'SAUDAMINI', Plot No-2, Sector-29,
Gurgaon-122 001 (Haryana).**

...Petitioner

Versus

**1. SJVN Arun-3 Power Development Company Private Limited,
Madhyapur Municipality, Ward No. 16, Swagat Marg,
House no. 3, Lokhanthali, Kathmandu – 5685
The Federal Democratic Republic of Nepal.**

**2. Central Transmission Utility of India Limited,
Plot No-2, Sector-29, Gurgaon -122001,
Haryana, India.**

...Respondents

Parties Present: Shri Vivek Kumar Singh, PGCIL
Shri Amit Yadav, PGCIL
Ms Supriya Singh, PGCIL
Shri Ashish Alankar, PGCIL
Shri Yatin Kalra, PGCIL



ORDER

The instant Petition has been filed by the Power Grid Corporation of India Limited (hereinafter referred to as “the Petitioner”), a deemed transmission licensee, for the determination of tariff under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) of the period from COD to 31.3.2024 in respect of the following asset under “Transmission System for Power evacuation from ARUN-3 (900 MW) HEP, Nepal of M/s SAPDC – Indian Portion” in the Eastern Region (hereinafter referred to as “the transmission asset/transmission project”):

Asset	Asset Name	Commercial Date of Operation (COD)
Asset-1	Sitamarhi (POWERGRID) – Dhalkebar (NEPAL) 400 kV D/C (Quad) transmission line (Indian Portion) alongwith associated 02 Nos. 400 kV line bays at Sitamarhi (POWERGRID) Sub-station.	3.9.2023*

****proposed COD Claimed under Regulation 5(2) of 2019 Tariff Regulation***

2. The Petitioner has made the following prayers in the instant Petition:

- a) *“Approve the Transmission Tariff for the tariff block 2019-24 block for the assets covered under this petition, as per para –8.3 above.*
- b) *Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred / projected to be incurred.*
- c) *Approve the DOCO for the subject Asset as claimed and allow full tariff as claimed under instant petition.*
- d) *Approve the initial spares as claimed in the instant petition.*
- e) *Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 as per para 8.3 above for respective block.*
- f) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation*



- to the filing of petition.*
- g) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*
 - h) Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the beneficiaries.*
 - i) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries*
 - j) Allow interim tariff in accordance with Regulation 10(3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.*

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

Background

3. The brief facts of the case are as under:

- a) The administrative approval and expenditure sanction to the transmission project was accorded by the Petitioner company on 21.5.2021 and circulated vide Memorandum No. C/CP/PA2122-02-0D-IA004 dated 24.5.2021, at an estimated cost of ₹17929 lakh, including an IDC of ₹953 lakh based on the December 2020 price level, with a completion schedule by April 2023, matching the generation schedule.
- b) The transmission project for power evacuation from Arun-3 (900 MW) HEP, Nepal (being implemented by M/s SJVN Arun-3 Power Development Company Private Limited. {SAPDC}) was agreed in the 7th meeting of the Joint Steering Committee (JSC) and the Joint Working Group (JWG) on India-Nepal Cooperation in Power Sector held on 14th – 15th October 2019.



- c) Further, the Implementation of the Indian Portion of the link was agreed to in the 1st meeting of the Eastern Region Power Committee-Transmission Planning (ERPCTP) held on 14th February 2020 at Kolkata.
- d) Subsequently, the Ministry of Power (MoP) vide Office Memorandum dated 25.09.2020 entrusted implementation of transmission project under Regulated Tariff Mechanism (RTM) to the Petitioner. As per the OM dated 25.9.2020, the cost of this project would be borne by M/s SJVN Arun-3 Power Development Company (Private) Limited (SAPDC Limited, subsidiary of M/s SJVN Limited), and a necessary agreement for the recovery of transmission charges may be signed between the Petitioner and M/s SJVN Limited and/or M/s SAPDC Limited. The said Agreement was signed between the Petitioner and SAPDC Limited on 2.8.2021. Further, as per the said Agreement, the transmission asset, i.e. Indian Portion and Nepal Portion, was scheduled to be commissioned by April 2023.
- e) The Approval of the Government of India under Section 68 of the Electricity (Supply) Act, 2003 (Act) was received vide CEA's Letter dated 27.10.2020.
- f) The scope of work covered under the transmission project broadly includes:

Sub station :

- i. Sitamarhi (POWERGRID) – Dhalkebar (NEPAL) 400 kV D/C (Quad) line: Indian Portion – 38.2 km.

Sub station :

- ii. Extension at Sitamarhi (POWERGRID) 400/220 kV Sub-station.
400 kV line bays: 02 nos (for termination of Sitamarhi (POWERGRID) – Dhalkebar (NEPAL) 400 kV D/C (Quad) line).



g) The details of the transmission asset, including scheduled commercial operation date (SCOD), date of commercial operation (COD) and time over-run are as follows:

Asset	SCOD	COD	Time over-run
Asset-1 Sitamarhi (POWERGRID) – Dhalkebar (NEPAL) 400 kV D/C (Quad) transmission line (Indian Portion) along with associated 02 nos 400 kV line bays at Sitamarhi (POWERGRID) sub-station.	30.4.2023	3.9.2023	126 days

4. The Respondent, M/s SJVN Arun 3 Power Development Company Private Limited (SAPDC), is procuring transmission services from the Petitioner. The Petitioner has served the Petition on the Respondents, and notice of this Petition has been published in the newspaper in accordance with Section 64 of the Act. No comments or suggestions have been received from the general public in response to the aforesaid notice published in the newspaper by the Petitioner.

5. The hearing in this matter was held on 29.5.2025 and 19.8.2025, and the Order was reserved on 19.8.2025. The Respondent(s) have not filed their replies in the matter despite notice.

6. This order is passed considering the submissions made by the Petitioner vide affidavits dated 5.3.2024 and 26.5.2025.

7. Having heard the representatives of the Petitioner and perused the material on record, we proceed to dispose of the Petition.

Determination of Annual Fixed Charges for the 2019-24 Tariff Period

8. The Petitioner has claimed the following transmission charges for the Asset-I for the 2019-24 tariff period:



(₹ in lakh)

Particulars	2023-24 (pro-rata 211 days)
Depreciation	418.12
Interest on Loan	433.63
Return on Equity	445.18
Interest on Working Capital	22.62
O&M Expenses	73.82
Total	1393.37

9. The Petitioner has claimed the Interest on Working Capital (IWC) for the Asset-I for the 2019-24 tariff period as follows:

(₹ in lakh)

Particulars	2023-24 (pro-rata 211 days)
O&M Expenses	10.67
Maintenance Spares	19.21
Receivables	297.16
Total Working Capital	327.04
Rate of Interest (%)	12.00
Interest on Working Capital	22.62

Date of Commercial Operation (COD)

10. The Petitioner has claimed the COD of Asset-1 as 3.9.2023 under Regulation 5(2) of the 2019 Tariff Regulation on account of non-readiness of the Transmission Line corresponding to Nepal Portion as well as the generation from the Arun-3 HEP, both of which fall under the scope of M/s SAPDC. In support of the COD of the Asset, the Petitioner has submitted CEA Clearance for Energisation, NLDC Trial-run Operation Certificate, CMD Certificate as required under the Grid Code, and the prior intimation notice sent to the Respondent regarding the readiness of the asset belonging to the Petitioner in terms of Regulations 5 and 5(2) of the Tariff Regulations 2019, which provide as follows:



“5. Date of Commercial Operation: (1) *The date of commercial operation of a generating station or unit thereof or a transmission system or element thereof and associated communication system shall be determined in accordance with the provisions of the Grid Code.*

(2) *In case the transmission system or element thereof executed by a transmission licensee is ready for commercial operation but the interconnected generating station or the transmission system of other transmission licensee as per the agreed project implementation schedule is not ready for commercial operation, the transmission licensee may file petition before the Commission for approval of the date of commercial operation of such transmission system or element thereof:*

Provided that the transmission licensee seeking the approval of the date of commercial operation under this clause shall give prior notice of at least one month, to the generating company or the other transmission licensee and the long-term customers of its transmission system, as the case may be, regarding the date of commercial operation:

Provided further that the transmission licensee seeking the approval of the date of commercial operation of the transmission system under this clause shall be required to submit the following documents along with the petition:

- (a) Energisation certificate issued by the Regional Electrical Inspector under Central Electricity Authority;*
- (b) Trial operation certificate issued by the concerned RLDC for charging element with or without electrical load;*
- (c) Implementation Agreement, if any, executed by the parties;*
- (d) Minutes of the coordination meetings or related correspondences regarding the monitoring of the progress of the generating station and transmission systems;*
- (e) Notice issued by the transmission licensee as per the first proviso under this clause and the response;*
- (f) Certificate of the CEO or MD of the company regarding the completion of the transmission system including associated communication system in all respects.”*

11. We have considered the submissions of the Petitioner. On perusal of the documents placed on record, it is observed that the Implementation Agreement between the Petitioner and M/s SAPDC was signed on 2.8.2021 and as per Sub Clause No. 4.5 of Clause 4.0 “Tariff and Indemnification” of said implementation agreement, the terms and conditions of the 2019 Tariff Regulations notified by the CERC, is applicable and as per the prevailing Regulations, the Petitioner may file the Petition before CERC for determination of tariff. The relevant extract of the implementation agreement is as follows:

