

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION

3RD AND 4TH FLOOR, CHANDRALOK BUILDING,

36, JANPATH, NEW DELHI - 110 001

REVIEW PETITION NO. OF 2022

IN

PETITION NO. 673/TT/2020

IN THE MATTER OF:

Review Petition under Section 94 (1) (f) Electricity Act, 2003 ("Electricity Act") read with Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 ("CBR 1999") seeking review of the Order dated 24.08.2022 passed in Petition 673/TT/2022 by this Hon'ble Commission.

IN THE MATTER OF:

THDC India Limited

....Review Petitioner

VERSUS

Power Grid Corporation of India Ltd. & Ors

..... Respondents

Index

Sl No.	Particulars	Page No.
1	Index	1-2
2	Application	3
3	Letter of authorization	4
4	Petition	5-38
5	Annexure-I: Copy of the order dated 24.08.2022	39-116
6	Annexure-II: A copy of the MoP Notification dated 21.06.2021	117-118

1


मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

7	Annexure-III: A copy of the Implementation Agreement	119-123
8	Annexure-IV: Copy of the relevant approval for allowing delay in commissioning of Tehri PSP (office order dated 08.08.2019 & 10.02.2022).	124-125
9	Annexure-V: Copy of the approval accorded by NTPC	126-129
10	Annexure-VI: Copy of "Transmission Service Agreement"	130-162
11	Affidavit	163-164
12	Proof of Dispatch	165

THDC India Limited



(Mukesh Kumar Verma)

Place : Rishikesh

Date : 04.10.2022

Addl. General Manager (Commercial)

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh



टीएचडीसी इंडिया लिमिटेड THDC INDIA LIMITED

(भारत सरकार एवं उ. प्र. सरकार का संयुक्त उपक्रम)
(A Joint Venture of Govt. of India & Govt. of U.P.)
CIN : U45203UR1988GOI009822



पत्रांक: टीएचडीसी/ऋषि/वाणि./F-121/1352

दि.: 04.10.2022

सेवामे,

सचिव,
केंद्रीय विद्युत नियामक आयोग
तृतीय एवं चतुर्थ तल, चन्द्रलोक भवन
36, जनपथ, नई दिल्ली-110001

Sub: Review of the order dated 24.08.2022 passed by the Hon'ble Commission in Petition No. 673/TT/2020.

Sir,

Kindly find enclosed herewith, under affidavit, Review Petition under Section 94 (1) (f) Electricity Act, 2003 ("Electricity Act") read with Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 ("CBR 1999") seeking review of the Order dated 24.08.2022 passed in Petition 673/TT/2022 by this Hon'ble Commission.

'सादर'

भवदीय

टीएचडीसी इंडिया लिमिटेड की ओर से

(मुकेश कुमार वर्मा)

अपर महाप्रबंधक (वाणिज्यिक)
मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

③

प्रधान कार्यालय : गंगा भवन, प्रगतिपुरम, बाई पास रोड, ऋषिकेश-249 201

Corporate Office : GANGA BHAWAN, PRAGATIPURAM, BYPASS ROAD, RISHIKESH -249201

पंजीकृत कार्यालय :- भागौरथी भवन (टॉप टेरिस) भागौरथीपुरम, टिहरी - गढ़वाल -249124

Regd. Office : Bhagirathi Bhawan (Top Terrace), Bhagirathipuram, Tehri-garhwal-249124

टेलीफ़ैक्स- 0135-2439463, Telefax : 0135-2439463, Website Address : www.thdc.gov.in

(“हिन्दी को राजभाषा बनाना, भाषा का प्रश्न नहीं अपितु देशभिमान का प्रश्न है”)



सूचना का
अधिकार
RIGHT TO
INFORMATION



टीएचडीसी इंडिया लिमिटेड THDC INDIA LIMITED

(भारत सरकार एवं उ. प्र. सरकार का संयुक्त उपक्रम)
(A Joint Venture of Govt. of India & Govt. of U.P.)
CIN : U45203UR1988GOI009822



पत्रांक: टीएचडीसी/ऋषि/वाणि./F-121/1353

दि.: 04.10.2022

सेवामे,

सचिव,
केंद्रीय विद्युत नियामक आयोग
तृतीय एवं चतुर्थ तल, चन्द्रलोक भवन
36, जनपथ, नई दिल्ली-110001

Sub: Letter of authorization to signing of Review Petition seeking review of the Order dated 24.08.2022 passed in Petition 673/TT/2022 by this Hon'ble Commission.

Sir,

This is to inform you that Sh. Mukesh Kumar Verma, Addl. General Manager (Commercial), THDC India Limited is authorised to sign the Review Petition under Section 94 (1) (f) Electricity Act, 2003 ("Electricity Act") read with Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 ("CBR 1999") seeking review of the Order dated 24.08.2022 passed in Petition 673/TT/2022 by this Hon'ble Commission.

This is being issued with the approval of competent authority.

' सादर '

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

भवदीय

टीएचडीसी इंडिया लिमिटेड की ओर से

(राजेश शर्मा)

महाप्रबंधक (वाणिज्यिक)

4

प्रधान कार्यालय : गंगा भवन, प्रगतिपुरम, बाई पास रोड, ऋषिकेश

Corporate Office : GANGA BHAWAN, PRAGATIPURAM, BYPASS ROAD, RISHIKESH

पंजीकृत कार्यालय :- भागीरथी भवन (टॉप टेरिस) भागीरथीपुरम, ऋषिकेश

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सूचना का
अधिकार
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BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY

COMMISSION

NEW DELHI

REVIEW PETITION NO. _____ OF 2022

IN

PETITION NO. 673/TT/2020

IN THE MATTER OF: Review Petition under Section 94 (1) (f) Electricity Act, 2003 ("Electricity Act") read with Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 ("CBR 1999") seeking review of the Order dated 24.08.2022 passed in Petition 673/TT/2022 by this Hon'ble Commission.

AND

IN THE MATTER OF:

THDC India Limited

....Review Petitioner

VERSUS

Power Grid Corporation of India Ltd. & Ors

.... Respondents

REVIEW PETITION UNDER SECTION 94(1)(F) OF THE ELECTRICITY ACT
READ WITH REGULATION 103 OF CBR 1999 SEEKING REVIEW OF
ORDER DATED 24.08.2022 PASSED IN PETITION NO. 673/TT/2020

(5)

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

MOST RESPECTFULLY SHOWETH:

I. INTRODUCTION

1. The present Review Petition has been filed by THDC India Limited ("THDCIL/ Review Petitioner") seeking review of the Order dated 24.08.2022 passed by this Hon'ble Commission in Petition No. 673/TT/2020 ("Petition") filed by Power Grid Corporation of India Ltd. ("PGCIL/ Respondent") seeking approval of transmission tariff for Assets covered under "Transmission system associated with Tehri Pump Storage Plant" ("Tehri PSP") in the Northern Region.
2. That the said Petition was listed for hearing on 23.06.2022. On the said date of hearing this Hon'ble Commission heard the submissions of the parties and reserved the Petition for orders. Thereafter, vide its order dated 24.08.2022, the Hon'ble Commission was pleased to determine tariff for Asset-I, Asset-II, Asset-III, Asset-IV and Asset-V. A copy of the Order dated 24.08.2022 is annexed hereto as **Annexure-I**
3. It is important to note that the present Petition is preferred by the Review Petitioner against the observations made by this Hon'ble Commission in paragraph- 90 of the Order dated 24.08.2022, wherein it has erred in the interpretation of the Notification dated 21.06.2021 issued by the Ministry of the Power relating to the waiver in the inter-state transmission of waiver ("MoP Notification dated 21.06.2021")

6


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अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
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THDC India Limited, Rishikesh

which is an error apparent and the same needs to be reviewed by this Hon'ble Commission by exercising its relevant power. The relevant excerpt of the Order dated 24.08.2022 is reproduced:

"89. We have considered the submission of the Petitioner and THDC. As discussed above, Asset-I, Asset-II, Asset-IV and Asset-VI are part of system strengthening and Asset-III and Asset-V are generation linked. It is observed that the Petitioner and THDC signed Indemnification Agreement dated. The Indemnification Agreement provides as follows:

"In the event 1st unit of generating station is not commissioned (COD) by 03.11.2017 (zero date) i.e., scheduled commissioning date of the Associated Transmission System (ATS), the Generation Company shall bear the IDC or the transmission charges if the transmission system is declared under commercial operation by the CERC in accordance with the Clause 3 of Regulation 4 of Tariff Regulations, 2014, till Generating station is Commissioned (COD)."

90. Accordingly, transmission charges in respect of Asset-I, Asset-II and Asset-IV shall be recovered through PoC mechanism as provided in Sharing Regulations. As regards, Asset-III and Asset-V, which are linked to generation of Tehri PSP, THDC has contended that as per MoP order dated 21.06.2021, THDC is not liable to pay transmission charges. We are of the view that THDC is eligible for waiver of transmission charges only when the generation under the control of Tehri PSP has been commissioned. In the instant case, the generation under the control of Tehri PSP has not



been commissioned yet. Accordingly, transmission charges of Asset – III and Asset – V from COD till commissioning of the generation units shall be borne by THDC”

4. The Petitioner states that the findings of this Hon'ble Commission at Paragraph 90 of the aforesaid Order is error apparent and the same has been passed on basis of mis-interpretation and without taking into account the letters and spirit of MoP Notification dated 21.06.2021. It is submitted that the MoP Notification clearly provides for the availability of waiver and exemption of the inter-state transmission charges for projects to be commissioned up to 30.06.2025. The relevant excerpts of the MoP Notification dated 21.06.2021 is reproduced herein below:

2.0 I am directed to convey the following decisions with respect to waiver of such Inter-State Transmission system (ISTS) charges:

- a. *Extension of waiver of Inter-State Transmission system (ISTS) charges on transmission of electricity generated from solar and wind sources **for projects to be commissioned up to 30th June 2025.***
- b. *Waiver of total Inter-State transmission system (ISTS) charges shall be also allowed for Hydro Pumped Storage Plants (PSP) and Battery Energy Storage System (BESS) projects to be commissioned up to 30th June 2025, if the following conditions are met:*

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THDC India Limited, Rishikesh



- i. at least 70% of the annual electricity requirement for pumping of water in Hydro Pumped Storage Pant is met by use of electricity generated from solar and/or winder power plants.
- ii. At least 70% of the annual electricity requirement for charging of the Battery Energy Storage System is met by use of electricity generated from solar and/or wind power plants.

.....”

A copy of the MoP Notification dated 21.06.2021 is annexed hereto as

Annexure-II

5. From perusal of above, it is clearly evident that, MoP Notification dated 21.06.2021, nowhere restricts the benefits in any manner till commissioning of the generation units. Such restriction of benefits till commissioning of the generation units is an error apparent and same needs to be rectified by undertaking review of the Order dated 24.08.2022. Therefore, the present Review Petition may be allowed and Order dated 24.08.2022 may kindly be reviewed in light of the letters and spirit of the Order dated 24.08.2022.

6. Additionally, this Hon'ble Commission has also failed to appreciate the true purport of the Clause 4 of the Implementation Agreement signed

into between THDCIL and PGCIL on 23.09.2014 ("**Implementation Agreement**") stipulates 'force majeure' as "*No party shall be liable for any claim for the default or delay due to force majeure event over which POWERGRID/THDC has no control*". It is submitted that since delay in commissioning of Tehri PSP is beyond the control of THDCIL and therefore not attributable to THDCIL. It is a matter of record that THDCIL has taken all required steps to ensure timely commissioning of the Tehri PSP. The delay in the commissioning of the Tehri PSP was on account of force majeure events beyond controls of the THDCIL. A copy of the Implementation Agreement is annexed hereto and marked as **Annexure-III.**

7. Further, THDCIL could not produce the relevant documents relating to approval and allowing cost/time overruns in relation to the delay in commissioning of the Tehri PSP on record. The same is being important and relevant documents relating to condonation of the delay by the competent authority owing to the force majeure events, therefore, needs to be considered by this Hon'ble Commission for the purpose of the present Review Petition. A copy of the relevant approval for allowing delay in commissioning of the Tehri PSP is annexed hereto and marked as **Annexure-IV.**

II. BRIEF FACTS:

(10)


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प.स. विद्युत निगम, नरसिंहरा
ash

8. THDC India Limited ("**Review Petitioner/ THDCIL**") is a generating company, which is *inter alia* establishing Tehri Hydro Pump Storage Plant (250MW X 4) ("**Tehri PSP**").
9. Power Grid Corporation of India Ltd. ("**PGCIL/ Petitioner in 673/TT/2020**") is the Central Transmission Utility ("**CTU**") in terms of Section 14 of the Electricity Act, 2003 ("**Electricity Act**"). PGCIL being the CTU is obligated under the provisions of the Electricity Act to build, maintain and operate an efficient, coordinated and economical Inter-State Transmission System ("**ISTS**").
10. That PGCIL had approached this Hon'ble Commission seeking approval of transmission tariff for the following assets covered under "Transmission System associated with Tehri Pump Storage Pant" in the Northern Region ("**Transmission Assets**"):

S.No.	Name of Assets	DOCO	Petition details
1.	Asset-I: Combined Asset of 1) Charging of Tehri Pooling-Meerut line Ckt-I at 765kV level along with associated bays at Koteshwar (Tehri Pooling Station) and end 240 MVAR switchable line reactor and associated bays at Meerut end 2)	17.04.2020	

	765/400kV 800 MVA ICT-II alongwith associated bays at Koteshwar (Tehri Pooling Station) 3) 765/400kV 800 MVA ICT-III along with associated bays at Koteshwar (Tehri Pooling Station) 4) 765/400kV 800 MVA ICT-IV along with associated bays at Koteshwar (Tehri Pooling Station).		Covered in the petition no.
2.	Asset-II: Charging of Tehri Pooling-Meerut line Ckt-II at 765kV level along with associated bays at Koteshwar (Tehri Pooling Station) end and 240 MVAR switchable line reactor and associated bays at Meerut end	30.06.2020	673/TT/2020
3.	Asset-III: 765/400kV 1500 MVA ICT along with associated bays at Meerut Substation.	30.06.2020	
4.	Asset-IV: 765kV 240 MVAR Bus Reactor along with associated bays at Koteshwar (Tehri Pooling Station)	22.10.2020	
5.	Asset-V: 765/400kV 800 MVA ICT-I along with associated bays at Koteshwar (Tehri Pooling Station)	17.01.2021	
6.	Asset-VI: Modification of series capacitor at Substation for operation at 765kV	31.10.2021 (Anticipated)	

	level		
7.	Asset-VII: 400kV S/C Their (Generation) -Tehri (Koteshwar) (Quad) line along with associated bays at both ends (Separate petition filed vide diary no. 769/2020)	09.01.2021	Separate petition

11. That this Hon'ble Commission in its order dated 24.08.2022 observed that it shall not be approving tariff for the Asset-VI as the same was not put into commercial operation. PGCIL had claimed tariff for Asset-VI on the basis of anticipated COD of 31.10.2021, however, this Hon'ble Commission did not approve the tariff for the said asset and directed PGCIL to file a fresh petition based on the actual COD of Asset-VI. This Hon'ble Commission allowed tariff for Asset-I, Asset-II, Asset-III, Asset-IV and Asset-V.
12. Further, while allowing the tariff for the said assets, this Hon'ble Commission erroneously disallowed the THDCIL to avail the waiver from the payment of transmission charges vis-à-vis Asset – III and Asset – V, till the commissioning of the generating units contrary to the MoP Notification dated 21.06.2021. The Petitioner humbly submits that it is aggrieved by the said observations of this Hon'ble Commission and has approached this Hon'ble Commission seeking necessary modifications in the Order dated 24.08.2022 and directions of this Hon'ble Commission in the interest of justice and equity.

13. It may also be relevant to highlight that competent authority has also extended the time limit of the commissioning of the Tehri PSP while factoring in the relevant causes of the delay and force majeure events which were beyond the control of the THDCIL. It is submitted that such extension of time by the relevant authorities clearly demonstrate that delay has been occasioned on account of the force majeure events and uncontrollable events. In view of the same, it is submitted that this Hon'ble Commission may kindly consider the same and exempt the Tehri PSP from payment of any transmission charges for the Asset-III and Asset-V as well and pass appropriate directions or carry out modifications in the Order dated 24.08.2022.

14. It is submitted that submissions made in the present Petition are independent and without prejudice to future proceedings including generation tariff determination and seeking any benefits of time overrun on account of force majeure events. Nothing submitted herein shall be construed as waiver and limit the right of the THDCIL in any other proceedings.

III. LEGAL GROUNDS IN SUPPORT OF THE PETITION:

15. The Review Petitioner vide the present petition invokes the jurisdiction of this Hon'ble Commission, *inter alia*, on the following grounds, which are independent of each other, and the Review Petitioner reserves its

right to plead further or other grounds as and when the need arises with the leave of this Hon'ble Commission.

- A. That this Hon'ble Commission is vested with the powers to review its decisions as per Section 94 (1)(f) of the Electricity Act. Further as per Section 94 (1) for the purpose of review, this Hon'ble Commission has been guided by the principles of Civil Procedure Code, 1908.
- B. This Hon'ble Commission has review power under Section 94(1)(f) of the Electricity Act which is analogues to the power of a civil court under Order 47 Rule 1 of the Civil Procedure Code, 1908 ("CPC,1908") along with the Regulations is reproduced as under:

*"Section 94. (Power of the Appropriate Commission):
(1) The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 in respect of the following matters, namely: -*

....

(f) reviewing its decisions, directions and orders;

- C. Further, Section 114 of the Code of Civil Procedure, 1908 stipulates as under:

(15)



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Addl. General Manager (Commercial)
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THDC India Limited, Rishikesh

"Subject as aforesaid, any person considering himself aggrieved –

(a) By a decree or order from which an appeal is allowed by this Code, but from which no appeal has been preferred,

(b) By a decree or order from which no appeal is allowed by this Code, or

(c) By a decision on a reference from a Court of Small Causes, may apply for a review of judgment of the Court which passed the decree or made the order, and the Court may make such orders thereon as it thinks fit."

D. Order XLVII (1) of the Code of Civil Procedure, 1908 stipulates as follows:

a) Application for review of Judgment- (1) Any person considering himself aggrieved

(a) By a decree or order from which an appeal is allowed, but from which no appeal has been preferred,

(b) By a decree or order from which no appeal is allowed, or;

*(c) By a decision on a reference from a Court of Small Causes, and who, **from the discovery of new and important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when the decree was passed or order made,** or on account of*

some mistake or error apparent on the face of record, or for any other sufficient reason, desires to obtain a review of the decree passed or order made against him, may apply for a review of judgment of the Court which passed the decree or made the order.”

- E. From a close reading of Order 47 Rule 1 of CPC, 1908, the principles under which a review is maintainable are:
- Discovery of new and important matter or evident;
 - On account of some mistake committed by the court;
 - Error apparent on the face of the record; and
 - For any other sufficient reason.

Hence, review can be filed by any aggrieved party on one of the above grounds.

- F. The provision relating to reviewing of decision, directions or orders by this Hon'ble Commission are contained in Regulation 103 of the CERC (Conduct of Business) Regulations, 1999. Subsequently, this Hon'ble Commission vide the Central Electricity Regulatory Commission (Conduct of Business) (Amendment) Regulations, 2013 (“**CBR 2013**”) dated 12.11.2013 made following amendments in Regulation 103:

“3. Amendment of Regulation 103: Regulation 103 of the Principal Regulations shall be substituted as under:

17


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टीएचडीसी लिमिटेड, अयिकेश

103. (1) The Commission may, on an application of any of the persons or parties concerned made within 45 days of making such decision, directions or order, review such decision, directions or orders and pass appropriate orders as the Commission deems fit.

(2) An application for such review shall be filed in the same manner as a Petition under Chapter II of these Regulations.

(3) An application for review shall be listed before the Commission within a period of 15 days from the date of filing such application.

(4) The Review application shall be disposed of within a period of 15 days from the date of hearing if the review is not admitted and within a period of two months from the date of admission if the application is admitted.

Provided that where the review application cannot be disposed within the period as stipulate, the Commission shall record the reasons for the additional time taken for disposal of the review application.

Insertion of new Regulation: The following new Regulation shall be inserted after Regulation 103 of the Principal Regulations.

Amendment of orders

103A. Clerical or arithmetical mistakes in the orders or errors arising therein from any accidental slip or omission may at any time be corrected by the Commission either of its own motion or on the application of any of the parties."

G. Further, this Hon'ble Commission also has inherent powers, which can be resorted for the purpose of doing justice, Regulations 111, 112 and 113 of CERC CBR, 1999 stipulates as under:

"Saving of inherent powers of the Commission

111. Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent powers of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.

112. Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

113. Nothing in these Regulations shall, expressly or impliedly, bar the Commission to deal with any matter or exercise any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit."

H. It is relevant to refer to the following pronouncements of the Hon'ble Supreme Court, whereby the scope and intent of review is encapsulated:

- i. Rajender Singh v. Lt. Governor, Andaman and Nicobar Islands, and Ors., reported as (2005) 13 SCC 289 (para 15 and 16);
- ii. Board of Control of Cricket in India and Anr. v. Netaji Cricket Club & Ors., reported as (2005) 4 SCC 741 (para 8);
- iii. S. Nagraj and Ors. v. State of Karnataka and Anr., reported as 1993 (Supp.4) SCC 595 (para 18 and 19);
- iv. O.N. Mohindroo v. Distt. Judge, Delhi, reported as (1971) 3 SCC 5 (para 37).

I. The principles which can be categorically culled from the above judgments are as follows:

- I. Justice is a virtue which transcends all barriers. Neither the rules of procedure nor technicalities of law can stand in its way;
- II. All processes of the Court are intended to secure justice and one such process is the power of review, and that whenever there is a manifest wrong done, it is never too late to undo the said wrong;
- III. If the Court finds that the order was passed under a mistake and it would not have exercised the jurisdiction but for the erroneous assumption which in fact did not exist and its perpetration shall result in miscarriage of justice then it

cannot on any principle be precluded from rectifying the error;

- IV. The philosophy behind exercise of power of review is the anxiety to avoid injustice;
 - V. Rectification of an order, through review, stems from the fundamental principle that justice is above all;
 - VI. The expression, "for any other sufficient reason" appearing in Order 47 Rule 1 has been given an expanded meaning and a decree or order passed under misapprehension of true state of circumstances has been held to be sufficient ground to exercise the power of review; and
 - VII. Courts should not be precluded from recalling or reviewing their own orders, if it is satisfied that it is necessary to do so for sake of justice.
- J. In view of the above, present Review Petition may be allowed by this Hon'ble Commission. Further, the order dated 24.08.2022 may be reviewed and modified by this Hon'ble Commission considering the objective and nature of the issues highlighted by the Review Petitioner. The Petitioner submits that this Hon'ble

Commission's observations that THDC is eligible for waiver of transmission charges only when the generation under the control of Tehri PSP has been commissioned in order dated 24.08.2022 is vitiated by error apparent as this Hon'ble Commission has failed to aptly interpret the same. It is submitted that Hon'ble Commission ought to have correctly appreciated the purpose and intent of MoP Notification dated 21.06.2021, seeks to achieve. The relevant excerpts of the order dated 21.06.2021 are reproduced below:

".....

2.0 I am directed to convey the following decisions with respect to waiver of such Inter-State Transmission system (ISTS) charges:

- a. Extension of waiver of Inter-State Transmission system (ISTS) charges on transmission of electricity generated from solar and wind sources for projects to be commissioned up to 30th June 2025.
- b. Waiver of total Inter-State transmission system (ISTS) charges shall be also allowed for Hydro Pumped Storage Plants (PSP) and Battery Energy Storage System (BESS) projects to be commissioned up to 30th June 2025, if the following conditions are met:
 - i. at least 70% of the annual electricity requirement for pumping of water in Hydro Pumped Storage Pant is met by use of



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electricity generated from solar and/or winder power plants.

- ii. *At least 70% of the annual electricity requirement for charging of the Battery Energy Storage System is met by use of electricity generated from solar and/or wind power plants.*

.....”

K. From bare perusal of above, it is clearly evident that, MoP Notification dated 21.06.2021, nowhere restricts the benefits in any manner till commissioning of the generation units. Such restriction of benefits till commissioning of the generation units is an error apparent and same needs to be rectified by undertaking review of the Order dated 24.08.2022. Therefore, the present Review Petition may be allowed and Order dated 24.08.2022 may kindly be reviewed in light of the letters and spirit of the Order dated 24.08.2022.

L. That from the perusal of the above notification, it is also clear that the Petitioner is not liable for payment of any transmission chargers till commissioning of Tehri PSP. The said order exempts THDCIL from the payment of applicable transmission charges, if the COD of Tehri PSP is undertaken on or before 30.06.2025. It is submitted by the Petitioner that the expected date of commissioning of Tehri PSP (1000MW) is June 2023 which is

23


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prior to the time period allowed under the MoP Notification dated 21.06.2021. It is submitted that since the error apparent is one of the ground for the review, therefore, misinterpretation of the MoP Notification dated 21.06.2021, as evident from the plain reading of the Paragraph 90 of the Order dated 24.08.2022, needs to be rectified by passing suitable directions relating to waiver of transmission charges with respect to the Asset III and Asset V of PGCIL. Further, PGCIL ought to be restrained from raising any invoices relating to the same.

M. The Petitioner herein submits that this Hon'ble Commission's order is vitiated by error apparent as this Hon'ble Commission did not correctly appreciate the fact that the Petitioner has been exempted from payment transmission charges if commissioning of the Tehri PSP is achieved prior to 30.06.2025. The order dated 21.06.2021 does not provide for any conditions for applicability of the waiver of transmission charges. The said objective ought to have been appreciated by this Hon'ble Commission. In view of the same, present Review Petition may be allowed and Order dated 24.08.2022 may kindly be reviewed in light of the letters and spirit of the Order dated 24.08.2022.

N. It is pertinent to note at this juncture that the MoP Notification dated 21.06.2021 is a beneficial provision, i.e., the said order has

been issued with the intent to promote investment, development and optimism in the Renewable Energy sector. Such a beneficial provision should have been given full effect by the Hon'ble Commission. The waiver provided under the Notification dated 21.06.2021 should be given a literal meaning.

- O. Further, the Hon'ble Supreme Court in *Commr. Of Customs (Preventive) v. M. Ambalal & Co.* (reported as (2011) 2 SCC 74), has made a clear distinction between exemption which are to be strictly interpreted as opposed to beneficial exemptions having as their purpose – encouragement or promotion of certain activities. This case felicitously put the law thus follows:

"16. It is a settled law that the notification has to be read as a whole. If any of the conditions laid down in the notification is not fulfilled, the party is not entitled to the benefit of that notification. The rule regarding exemptions is that exemptions should generally be strictly interpreted but beneficial exemptions having their purpose as encouragement or promotion of certain activities should be liberally interpreted. This composite rule is not stated in any particular judgment in so many words. In fact, majority of judgments emphasise that exemptions are to be strictly interpreted while some of them insist that exemptions in fiscal statutes are to be liberally interpreted giving an apparent impression that they are contradictory to each other. But this is only

apparent. A close scrutiny will reveal that there is no real contradiction amongst the judgments at all. The synthesis of the view is quire clearly that the general rule is strict interpretation while special rule in the case of beneficial and promotional exemption is liberal interpretation. The two go very well with each other because they relate two different sets of circumstances.”

- P. That this being the case, it is obvious that the beneficial purposes of waiver contained in MoP Notification dated 21.06.2021 must be given full effect. It is important to note the Hon'ble Supreme Court's observations in ***State of Gujarat v. Arcelor Mittal Nippon Steel India Limited***, reported as (2022) 6 SCC 459, regarding interpretation of orders/notifications providing for exemptions:

“16.3 The exemption notification should be strictly construed and given meaning according to legislative intendment. The statutory provisions providing for exemption have to be interpreted in the light of the words employed in them and there cannot be any addition or subtraction from the statutory provisions.”

- Q. It is submitted that the MoP Notification dated 21.06.2021 granting exemption from paying Inter-State Transmission System (ISTS) charges is purportedly in a beneficial favour with a view to encourage the production of renewable energy and its injection

into the grid. As such, in case of any ambiguity arising from the wordings of such beneficial legislation, it is incumbent upon the court to ensure that the statutory interpretation of such ambiguity leans in favour

R. of the intended beneficiary of the legislation and be guided by the fundamental beneficial intent of the legislation and the principles of natural justice. Such a position of law was affirmed by the Hon'ble Supreme Court in the matter of *Edukanti Kistamma (Dead) Through L.R.S. &Ors. v. S. Venkata reddy (Dead) through L.R.S. &Ors.* [(2010) 1 SCC 756] (relevant para 26).

The relevant extract from the judgment is reproduced hereinbelow:

"26. (...) In case there is any doubt, the court should interpret a beneficial legislation in favour of the beneficiaries and not otherwise as it would be against the legislative intent. For the purpose of interpretation of a statute, the Act is to be read in its entirety. The purport and object of the Act must be given its full effect by applying the principles of purposive construction. The Court must be strong against any construction which tends to reduce a statute's utility."

(emphasis supplied)

S. It is noteworthy that a bare perusal of the MoP Notification dated 21.06.2021 showcases that the category of generating projects

would become eligible for exemption from ISTS charges upon

achieving commissioning before 30.06.2025. However, this Hon'ble Commission opined that the Review Petitioner cannot be eligible for exemptions until it has been commissioned. The Review Petitioner humbly submits that this Hon'ble Commission has erringly broadened the scope and purview of its interpretation of the Order and violated the very objective of the MoP Notification dated 21.06.2021.

- T. It is submitted that the delay in commissioning of Tehri PSP is beyond the control of THDCIL and therefore not attributable to THDCIL. It is a matter of record that THDCIL has taken all required steps to ensure timely commissioning of the Tehri PSP. The delay in the commissioning of the Tehri PSP was on account of force majeure events beyond controls of the THDCIL. The time extensions granted by the Competent Authority to the Contractor upto 22.06.2021 vide office order No. THDCIL/Tehri/GM/PSP/2019/585 dated 08.08.2019 and upto 30.12.2022 vide office order THDCIL/Tehri/PSP/GM/47 dated 10.02.2022. (Copy of the approval and office orders is annexed as Annexure-IV). However, Subject to approval of Ministry of Power, approval has been accorded by NTPC for the revised cost estimate (RCE-II) of Tehri Pump Storage Plant (4x250MW) of amounting to Rs. 4825.60 Cr (including an IDC &FC of 1089.80Cr) as recommended by Revised Cost Committee of MoP

with commissioning by Jun-2022. (Copy of Letter is annexed as **Annexure-V**).

U. In this regard, it is noteworthy that Clause 4 of the Implementation Agreement signed into between THDCIL and PGCIL on 23.09.2014 ("**Implementation Agreement**") stipulates 'force majeure' as "***No party shall be liable for any claim for the default or delay due to force majeure event over which POWERGRID/THDC has no control***". Force-Majeure event shall mean the event as detailed out in para 14.0 "Force-Majeure" of Transmission Service Agreement. In this regard the relevant provisions of the Implementation Agreement dated 23.09.2014 and Transmission Service Agreement dated 05.09.2014 are reproduced:

"Implementation Agreement dated 23.09.2014

4. Force Majeure

- a. **No party shall be liable for any claim for the default or delay due to force majeure event over which POWERGRID/THDC has no control. Force-Majeure event shall mean the event as detailed out in para 14.0 "Force-Majeure" of Transmission Service Agreement (TSA).**
- b. Any party claiming the benefit of this clause shall satisfy the other party of the existence of such an event and give written 'Notice' within 30 days of occurrence of such Force Majeure event along


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११

with necessary documents to the other party to this effect."

"Transmission Service Agreement

14.0 Force Majeure

The following terms shall have the meanings given hereunder.

14.1 An 'Affected Party' means any of the DICs or the ISTS Licensees whose performance has been adversely affected by an event of Force Majeure.

14.2 A 'Force Majeure' means any event or circumstance or combination of events and circumstances including those stated below that wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices:

14.2.1 Natural Force Majeure Events

(a) Act of God, including, but not limited to drought, fire and explosion (to the extent originating from a source external to the Site), earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, or exceptionally adverse weather conditions which are in excess of the statistical measures for the last hundred (100) years,

14.2.2 Non – Natural Force Majeure Events:

(a) Direct Non-Natural Force Majeure Events

(i) Nationalization or compulsory acquisition by any Indian Governmental Instrumentality of any material assets or rights of any Affected party; or

(ii) the unlawful, unreasonable or discriminatory revocation of, or refusal to renew, any Consents, Clearances and Permits required by an Affected party to perform its obligations under this Agreement, provided that a Competent Court of Law declares the revocation or refusal to be unlawful, unreasonable and discriminatory and strikes the same down; or

(iii) any other unlawful, unreasonable or discriminatory action on the part of an Indian Governmental Instrumentality which is directed against the Affected party, provided that a Competent Court of Law declares the action to be unlawful, unreasonable and discriminatory and strikes the same down

(c) Indirect Non-Natural Force Majeure Events

(i) act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action; or

(ii) radioactive contamination or ionising radiation originating from a source in India or resulting from any other Indirect Non Natural Force Majeure Event mentioned above, excluding circumstances where the source or cause of contamination or radiation is brought or has been brought into or near the Site by the Affective Party or those employed or engaged by the Affected Party;

(iii) industry wide strikes and labour disturbances, having a nationwide impact in India.

.....”

Copy of “Implementation Agreement” dated 23.09.2014 and “Transmission Service Agreement” is annexed as **Annexure-VI**.

- V. It is submitted that the commissioning of Tehri PSP was delayed on account of Force Majeure events arising out of COVID-19 pandemic and subsequent effect like labor problem, varied geographical conditions. The said events are squarely covered by the events enumerated in Clause 14.0 Transmission Service Agreement dated 05.09.2014. However, Hon'ble Commission overlooked the said aspects and passed the Order dated 24.08.2022 and application of the Clause 4 of the Implementation Agreement.


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W. It is noteworthy that currently there is no dispute on the issue as to whether COVID-19 is a force majeure event or not. The COVID-19 pandemic as a force majeure event is a settled position of law. There are multiple notifications and judicial precedents in relation to the same. It is submitted that on account of COVID-19, the COD of the Tehri PSP was also got delayed. Considering the said aspect, it is incumbent upon this Hon'ble Commission to have not imposed any transmission charges on account of delay in COD of the Tehri PSP. The said position relating to no charges to be levied on the THDCIL is also in accordance with Clause 4 (a) of the Implementation Agreement which clearly provides for no liability of any claim for the delay due to force majeure event. In view of the same, it is humbly prayed to this Hon'ble Commission to not levy any transmission charges on the THDCIL till the COD of Tehri PSP considering the issue of force majeure. Further, PGCIL, may be directed to not take any action or raise any invoice pursuant to the Order dated 24.08.2022.

X. Further, Tehri PSP is prone to varied geographical conditions with respect to Geographical Baseline Report ("GBR") and in order to ensure safety of adjacent Tehri HPP Project, additional works

such as additional work beam, column and buttress removal by non-blasting methods and strengthening measures of its affected area in Butterfly Valve Chamber (“BVC”), had to be undertaken. On account of the same, the COD of the Tehri PSP got delayed. The same is a force majeure event in terms of Clause 4 (a) of the Implementation Agreement. Therefore, no transmission charges ought to be levied on the THDCIL till the COD of Tehri PSP. However, the said aspect was overlooked by this Hon'ble Commission while passing of the Order dated 24.08.2022. In view of the same, present Review Petition may be allowed by this Hon'ble Commission.

- Y. That in addition to the above issues, Tehri PSP is also faced with geographical surprises which are not within the reasonable control of THDCIL. That it is matters of fact that the PGCIL was duly informed by THDCIL regarding the occurrence of the Force Majeure event.
- Z. That it is a matter of fact that the delay in commissioning of Tehri PSP was occasioned as a result of Force Majeure occurrences. It is stated that no delay in commissioning of the Transmission Asset has been occasioned on account of any fault or reasons attributable to THDCIL. Therefore, in view of the Clause 4 of the

Implementation Agreement read with Clause 14 of the TSA, THDCIL ought to have been not liable for any claim including payment of transmission charges arising on account of delay in commissioning of Tehri PSP or till the commissioning of Tehri PSP. In view of the same, it is humbly prayed the present Review Petition may be allowed and appropriate directions may passed by this Hon'ble Commission to PGCIL to not levy any transmission charges on the THDCIL till the COD of Tehri PSP.

AA. It is a matter of fact as evident from above that the Review Petitioner had been unable to successfully commission the project in terms of the determined timelines owing to a bevy of factors not emanating from its own fault and as a result, submitted a request to the Competent Authority for the grant of extension of time for successful execution of Tehri PSP. Accordingly, there was a detailed description of the Force Majeure circumstances that arose which effectively put a bar on the timely completion in execution. Pertinently, the Competent Authority vide File No. PSP-PSPC/3/2022-PSP Tehri took note of the hampering of work flow on account of Force Majeure events arising due to the impact of the COVID-19 pandemic and poor geological conditions as enumerated in the Geological Baseline Report (GBR) resulting in structural integrity issues and rock-falls


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35

in the vicinity of the project premises. Consequently, the Competent Authority was pleased to award the extension of time without levy of Liquidity damages upto 30.12.2022 for successful execution of the Tehri PSP and accordingly recorded the revised milestones as follows:

S. No.	Description of Milestones	Revised Completion Date as recommended by the Execution (2nd time extension)
1.	Commissioning and taking over of First Unit	28-June-2023
2.	Commissioning and taking over of Second Unit	28-Aug-2023
3.	Commissioning and taking over of Third Unit	28-Oct-2023
4.	Commissioning and taking over of Fourth Unit	28-Dec-2023

In consideration of the aforementioned, the Review Petitioner humbly submits that this Hon'ble Commission may be pleased to take cognizance of the delay in commissioning brought upon by the existence of Force Majeure events of the Review Petitioner's and provide due consideration to such fact while adjudicating present Review Petition.



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BB. Further, THDCIL could not produce the relevant documents relating to approval of competent authority and allowing time cost overruns in relation to the delay in commissioning of the Tehri PSP on record. The same is being important and relevant documents relating to condonation of the delay by the competent authority owing to the force majeure events, therefore, needs to be considered by this Hon'ble Commission for the purpose of the present Review Petition.

A copy of the aforementioned Grant of Extension by the Competent Authority has been annexed hereto and marked as Annexure – [IV].

16. That in view of the above facts and circumstances, the Review Petitioner is seeking review of the order dated 24.08.2022.
17. The Petitioner states that this Hon'ble Commission has the jurisdiction to adjudicate the present dispute.
18. The Petitioner craves leave of this Hon'ble Commission to add/amend/substitute the present petition with the prior permission of this Hon'ble Commission. It is submitted that submissions made in the present Petition are independent and without prejudice to future proceedings including generation tariff determination and seeking any benefits of time overrun on account of force majeure events. Nothing

submitted herein shall be construed as waiver and limit the right of the THDCIL in any other proceedings.

19. The present petition is bonafide and is in accordance with law, and the same may be allowed.

PRAYER

The Petitioner in view of the aforesaid facts and circumstances most humbly prays that this Hon'ble Commission may be pleased to:

- a) Review/ modify the order dated 24.08.2022 passed by this Hon'ble Commission in Petition No. 673/TT/2020, in light of submissions made in the present Review Petition to the extent that waiver of transmission charges are granted to the THDCIL till the commissioning of the Tehri PSP; and
- b) Pass any such orders as this Hon'ble Commission may deem fit in the facts and circumstances of the present case.

Review Petitioner



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CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 673/TT/2020

Coram:

Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member

Date of Order: 24.8.2022

In the matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and determination of transmission tariff from COD to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 in respect of Asset-I: Combined Assets of 1) Charging of Tehri Pooling-Meerut line Ckt-I at 765kV level along with associated bays at Koteshwar (Tehri Pooling Station) end and 240 MVAR switchable line reactor and associated bays at Meerut end; 2) 765/400kV 800 MVA ICT- II alongwith associated bays at Koteshwar (Tehri Pooling Station); 3) 765/400kV 800 MVA ICT- III alongwith associated bays at Koteshwar (Tehri Pooling Station); 4) 765/400kV 800 MVA ICT- IV alongwith associated bays at Koteshwar (Tehri Pooling Station); Asset-II: Combined Assets of 1) Charging of Tehri Pooling-Meerut line Ckt-II at 765kV level along with associated bays at Koteshwar end and 240 MVAR switchable line reactor and associated bays at Meerut end; 2) 765/400kV 800 MVA ICT- I alongwith associated bays at Tehri (Koteshwar) (GIS Pooling Station); 3) 765/400kV 1500 MVA ICT alongwith associated bays at Meerut Sub-station; 4) Modification of series capacitor at Meerut Sub-station for operation at 765 kV level 5) 765 kV 240 MVAR Bus Reactor along with associated bay at Tehri (Koteshwar) under "Transmission System associated with Tehri Pump Storage Plant (PSP)"

And in the matter of:

Power Grid Corporation of India Limited,
"Saudamini", Plot No. 2,
Sector 29, Gurgaon-122001 (Haryana).

.... Petitioner

Vs.

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

3. Jaipur Vidyut Vitran Nigam Limited,
132 kV, GSS RVPNL Sub- Station Building,
Caligiri Road, Malviya Nagar, Jaipur-302017 (Rajasthan).
4. Jodhpur Vidyut Vitran Nigam Limited,
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 Electricity Board,
The Mall, Patiala - 147 001.
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula -134 109(Haryana).
8. Power Development Department,
Government of Jammu & Kashmir, Mini Secretariat, Jammu.
9. Uttar Pradesh Power Corporation Limited,
(Formerly Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14, Ashok Marg,
Lucknow - 226 001.
10. Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi-110 002.
11. BSES Yamuna Power Limited,
BSES Bhawan, Nehru Place,
New Delhi.
12. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place, New Delhi.
13. Tata Power Delhi Distribution Limited,
33 kV Sub-station, Building, Hudson Lane,
Kingsway Camp, North Delhi – 110009.
14. Chandigarh Administration,
Sector -9, Chandigarh.
15. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road, Dehradun.

40

16. North Central Railway,
Allahabad.
17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg, New Delhi-110002.
18. Tehri Pump Storage Plant (PSP),
THDC India Ltd., B Puram
District Tehri Garhwal, Uttarakhand.

... Respondent(s)

For Petitioner : Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri D.K Biswal, PGCIL
Shri Ved Prakash Rastogi, PGCIL

For Respondents : Shri Tabrez Malawat, Advocate, THDC
Ms. Ankita Bafna, Advocate, THDC
Shri Mukesh Kumar, THDC
Shri Rajesh Sharma, THDC
Shri L.P. Joshi, THDC
Shri S.S. Panwar, THDC
Shri Manish Garg, UPPCL

ORDER

The instant petition has been filed by Power Grid Corporation of India Limited (PGCIL), a deemed transmission licensee, for determination of transmission tariff for the period from COD to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as "the 2019 Tariff Regulations") in respect of the following transmission assets (hereinafter referred to as the "transmission assets") under "Transmission System associated with Tehri Pump Storage Plant (PSP)" in Northern Region (hereinafter referred to as "the transmission project").

2. The Petitioner has made the following prayers in the instant petition and revised the same vide affidavit dated 27.10.2021:

(4)


Order in Petition No. 673/TT/2020
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अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
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"1) Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred / projected to be incurred.

2) Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition, as per para -8.3 above.

3) 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 above for respective block.

4) 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.

5) 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.

6) 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.

7) Allow the Petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 8.8 above.

8) Allow the initial spare as procured in the current petition in full as claimed in the instant petition under Regulation 54 of the CERC (Terms and Condition of Tariff) Regulation, 2014, "Power to Relax" and Allow the Petitioner to claim capital spares at the end of tariff block as per actual.

9) 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.

10) 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.

11) Allow the Petitioner to recover FERV on foreign loans deployed as provided under Clause 69 of the Tariff Regulations, 2019.

12) Condone time over run of all assets as per Clause 22(2) of Tariff Regulation, 2019. and pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice."

42

Background

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

(a) The Investment Approval (IA) of the transmission project was accorded by Board of Directors (BoD) of the Petitioner's Company on 29.1.2015 vide Memorandum Ref.: C/CP/TEHRI (PSP) dated 2.2.2015, at an estimated cost of ₹87162 lakh including IDC of ₹5017 lakh based on December, 2015 price level.

(b) The Revised Cost Estimate (RCE) in respect of the transmission project was approved by Board of Directors (BoD) of the Petitioner on 25.12.2020 vide Memorandum Ref.: C/CP/PA2021-090T-RCE012 dated 6.1.2021 at an estimated cost of ₹90249 lakh including IDC of ₹8294 lakh based on June, 2020 price level.

(c) The scope of the transmission project was discussed and agreed in the 27th and 32nd Standing Committee on Transmission System Planning of Northern Region held on 30.5.2009 and 31.8.2013 respectively. The transmission scheme was agreed in 13th and 29th meetings of NRPC held on 27.6.2009 and 13.9.2013.

(d) The scope of work covered under the transmission project is as follows:

Transmission Line

- 400 kV S/C Tehri Generation – Tehri Pooling Station (Quad line)
- Charging of Tehri Pooling - Meerut line at 765 kV level[#]
Note: Scope under this element Includes diversion of 765 kV S/C Koteshwar - Meerut line 1&2 at Meerut

Sub-stations

i. 765/400 kV, 4 x 800 MVA Tehri GIS Pooling station

765 kV

- Line bays : 2 Numbers
- Bus Reactor bay : 1 Number
(1x240 MVAR bus reactor) (4 single phase units including 1 spare unit)
- 765/400 kV, 4x800 MVA ICTs (14 single phase units including 2 spare units)
- 765 kV ICT bays 4 Numbers

400 kV

- Line bays : 1 Number

43

- ICT bays : 2 + 2** Numbers

** Note: 2 numbers of 400 kV line bays vacated by Tehri Pooling station-Meerut lines would be used for termination of 765/400 kV ICTs.

ii. 765/400 kV Meerut Sub-station Extension

765 kV

- Line bays : 2 Numbers
- 2x240 MVAR Line reactor
- 765/400 kV, 1x1500 MVA ICTs along with associated 765 kV & 400 kV bays
- ICT bays : 1 Number
- Modification of Series Capacitors for operation at 765 kV level

400 kV

- ICT bays : 1 Number

(e) The Petitioner has submitted that all the assets covered in the instant petition was planned for evacuation of power from Tehri HEP and Koteshwar HEP and agreed in 18th SCM in Northern Region and the scope of the transmission project was discussed and agreed in the 27th and 32nd meeting of Standing Committee on Transmission System Planning of Northern Region held on 30.5.2009 and 31.8.2013 respectively. It was further discussed and agreed in the 13th and 29th meeting of NRPC held on 27.6.2009 and 13.9.2013 respectively. Further, in the 39th SCM of Northern Region held on 29.5.2017 and 30.5.2017, it was decided that 765 kV Tehri-Meerut line be de-linked from the generation project. In the Northern Regional Power Committee (Transmission Planning) (NRPCTP) meetings held on 24.1.2020 and 1.9.2020, the matter relating to delinking of assets was discussed wherein it was decided that only 3 assets were to be linked to the Tehri-HEP and other assets were to be developed as System Strengthening Scheme.

(f) Details of transmission assets covered under system strengthening and generation linked is as follows:

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Order in Petition No. 673/TT/2020

मुकेश कुमार वर्मा / **M.K. VERMA**
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

Sl. No.	Asset Name	System Strengthening /Generation linked
1	400kV S/C Tehri (Generation) –Tehri Pooling Station (Koteshwar) line along with associated bays	Generation linked
2	4 th ICT of 800 MVA at Tehri Pooling Station (Koteshwar) sub-station	Generation linked
3	3rd ICT of 1500 MVA at Meerut Sub-station	Generation linked
4	3 numbers 800 MVA ICT at Tehri Pooling Station (Koteshwar) Sub-station	System Strengthening
5	Charging of Tehri PS-Meerut line at 765 kV along with upgradation of series capacitors	System Strengthening
6	240MVAR Line reactors at Meerut end and 240MVAR Bus reactor at Tehri Pooling Station (Koteshwar) Sub-station	System Strengthening

(g) The Petitioner has submitted that commissioning of THDC generating units got delayed and the same was discussed in various JCC meetings and as per 6th JCC meeting 28.3.2019, commissioning schedule of generating units were given as December, 2020. The Petitioner has further submitted that in the 39th SCM in Northern Region held on 29.5.2017 and 30.5.2017 it was discussed and agreed that up-gradation of Tehri-Meerut 765 kV 2 x S/C lines (presently operated at 400 kV) with the commissioning of Tehri PSP generation project along with reactive compensation was delinked from the generation, which was in the scope of THDC.

(h) The Petitioner has submitted the revised status of tariff petitions in respect of the transmission assets covered under the transmission project vide affidavit dated 27.10.2021 which is as follows:

Sl. No.	Name of Assets	SCOD	Actual COD	Petition details
1	Asset-I: Combined Asset of 1) Charging of Tehri Pooling-Meerut line Ckt-I at 765 kV level along with associated bays at Koteshwar (Tehri Pooling Station) end and 240 MVAR switchable line reactor and associated bays at Meerut end; 2) 765/400 kV 800 MVA ICT- II alongwith associated bays at Koteshwar (Tehri Pooling Station); 3) 765/400 kV 800 MVA ICT- III	28.10.2017	17.4.2020	Covered in the present petition

Sl. No.	Name of Assets	SCOD	Actual COD	Petition details
	alongwith associated bays at Koteshwar (Tehri Pooling Station); 4) 765/400 kV 800 MVA ICT- IV alongwith associated bays at Koteshwar (Tehri Pooling Station).			
2	Asset-2: Charging of Tehri Pooling-Meerut line Ckt-II at 765kV level along with associated bays at Koteshwar (Tehri Pooling Station) end and 240 MVAR switchable line reactor and associated bays at Meerut end		30.6.2020	
3	Asset-3: 765/400 kV 1500 MVA ICT along with associated bays at Meerut Sub-station		30.6.2020	
4	Asset-4: 765 kV 240 MVAR Bus Reactor along with associated bays at Koteshwar (Tehri Pooling Station)		22.10.2020	
5	Asset-5: 765/400 kV 800 MVA ICT- I along with associated bays at Koteshwar (Tehri Pooling Station)		17.1.2021	
6	Asset-6: Modification of series capacitor at Meerut Sub-station for operation at 765 kV level		31.10.2021 (Anticipated.)	
7	Asset-7: 400 kV S/C Tehri (Generation)-Tehri (Koteshwar) (Quad) line along with associated bays at both ends		9.1.2021 (Proposed)	Petition No.270/TT/2021.

(i) As per IA dated 29.1.2015, the transmission assets were scheduled to be put into commercial operation within 33 months from the date of IA (29.1.2015) i.e., by 28.10.2017. As per the Indemnification Agreement dated 23.9.2014, signed between the Petitioner and THDC, SCOD has been stated as 3.11.2017.

(j) Therefore, we consider the SCOD of the transmission project as 3.11.2017, against which the transmission assets have been put under commercial operation as follows:

Assets	SCOD	COD	Time over-run (days)
Asset-I	3.11.2017	17.4.2020	896
Asset-II		30.6.2020	970
Asset-III		30.6.2020	970
Asset-IV		22.10.2020	1084
Asset-V		17.1.2021	1171

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

5. The Petitioner has served the petition on the Respondents and notice of this petition has also been published in the 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 aforesaid notices published in the newspapers by the Petitioner. Reply to the petition has been filed by THDC, Respondent No.18, vide affidavit dated 21.10.2021 raising the issue that delay is not attributable to it and it has been impleaded arbitrarily and without any formal directions of the Commission. UPPCL, Respondent No.9, has filed its reply vide affidavit dated 23.10.2021 raising the issue of COD of Asset-II, cost over-run, Initial Spares, security expense and IoL. The Petitioner vide affidavit dated 28.10.2021 and 30.11.2021 filed rejoinder to the reply of THDC and UPPCL, respectively. The issues raised by UPPCL and THDC and the clarifications given by the Petitioner are considered in relevant portions of the order.

6. The hearing in this matter was held on 29.10.2021 and the Commission reserved the order in the matter. However, the order could not be passed before Shri P.K. Pujari, former Chairperson, demitted the office. Therefore, the matter was heard again on 23.6.2022. The representative of the Petitioner prayed to file additional submissions with justification with respect to time over-run in the matter. Learned counsel for THDC submitted that the reply filed by them is already on record and the same may be considered while allowing the claims of the Petitioner. UPPCL's request

to file additional reply was allowed by the Commission and the Petitioner was allowed to file rejoinder. However, UPPCL has not filed any additional reply. But, THDC has made additional submissions vide affidavit dated 8.7.2022 and the Petitioner filed additional submissions vide affidavit dated 1.7.2022.

7. This order is issued considering the submissions made by the Petitioner in the petition vide affidavit dated 1.7.2022, 7.8.2020, and affidavits dated 27.10.2021 and 15.9.2021 and THDC's and UPPCL's reply vide affidavits dated 21.10.2021, 8.7.2022 and 23.10.2021, respectively and the Petitioner's rejoinder thereto.

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

9. The Petitioner has sought approval of tariff of Asset-VI on the basis of anticipated COD of 31.10.2021. UPPCL has submitted that the Petitioner has claimed the COD of Asset-VI on anticipated basis and the Petitioner may be directed to inform the latest status of COD of Asset-VI with revised tariff forms. In response, the Petitioner has submitted that the revised tariff forms along with revised Auditor's Certificate has already been submitted vide affidavit dated 27.10.2021 and has prayed to consider the revised tariff forms and allow the tariff.

10. We have considered the submissions of the Petitioner and UPPCL. It is observed that the Petitioner has claimed tariff for Asset-VI on the basis of anticipated COD of 31.10.2021. However, it has not been put into commercial operation. Hence, we are not inclined to approve tariff for Asset-VI in this order. The Petitioner is directed to file fresh petition based on the actual COD of Asset-VI. The Petitioner is directed to submit CMD certificate, CEA energisation certificate and RLDC certificate in line with the

2019 Tariff Regulations on the basis of actual COD of Asset-VI. Accordingly, tariff is allowed for Asset-I, Asset-II, Asset-III, Asset-IV and Asset-V in this order.

DETERMINATION OF ANNUAL FIXED CHARGES FOR 2019-24 TARIFF PERIOD

11. The Annual Fixed Charges (AFC) claimed by the Petitioner in respect of the transmission assets for 2019-24 tariff period are as follows:

(₹ in lakh)

Asset – I				
Particulars	2020-21 (Pro-rata for 349 days)	2021-22	2022-23	2023-24
Depreciation	1839.11	2065.96	2203.05	2230.47
Interest on Loan	1476.63	1540.94	1520.87	1400.56
Return on Equity	1975.23	2226.90	2383.27	2414.54
Interest on working capital	130.57	142.86	148.90	149.93
O&M Expenses	1380.40	1494.74	1548.52	1602.56
Total	6801.94	7471.40	7804.61	7798.06

(₹ in lakh)

Asset – II				
Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
Depreciation	311.86	499.26	594.55	613.58
Interest on Loan	292.09	440.03	492.10	466.77
Return on Equity	335.25	536.98	639.71	660.24
Interest on working capital	15.69	24.17	27.81	28.06
O&M Expenses	60.91	83.67	86.62	89.66
Total	1015.80	1584.11	1840.79	1858.31

(₹ in lakh)

Asset – III				
Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
Depreciation	197.68	293.94	318.47	323.35
Interest on Loan	182.31	252.19	252.90	234.37
Return on Equity	210.95	313.39	339.22	344.36
Interest on working capital	34.12	47.55	49.55	50.64
O&M Expenses	634.29	871.68	903.09	934.59
Total	1259.35	1778.75	1863.23	1887.31

(₹ in lakh)

Asset – IV				
Particulars	2020-21 (Pro-rata for 161 days)	2021-22	2022-23	2023-24
Depreciation	176.76	441.34	485.00	499.33
Interest on Loan	159.84	378.84	388.80	369.30
Return on Equity	191.03	478.34	527.46	543.58
Interest on working capital	8.26	20.23	21.74	21.91
O&M Expenses	20.56	48.23	49.93	51.68
Total	556.45	1366.98	1472.93	1485.80

(₹ in lakh)

Asset – V				
Particulars	2020-21 (Pro-rata for 74 days)	2021-22	2022-23	2023-24
Depreciation	100.21	513.43	533.57	539.71
Interest on Loan	90.61	444.32	429.06	399.71
Return on Equity	107.96	555.13	579.45	586.93
Interest on working capital	8.21	41.76	42.91	43.35
O&M Expenses	98.59	503.48	521.59	539.79
Total	405.58	2058.12	2106.58	2109.49

12. The details of the Interest on Working Capital (IWC) claimed by the Petitioner in respect of the transmission assets are as follows:

(₹ in lakh)

Asset – I				
Particulars	2020-21 (Pro-rata for 349 days)	2021-22	2022-23	2023-24
O&M Expenses	120.31	124.56	129.04	133.55
Maintenance Spares	216.55	224.21	232.28	240.38
Receivables	877.04	921.13	962.21	958.78
Total	1213.90	1269.90	1323.53	1332.71
Rate of Interest (in %)	11.25	11.25	11.25	11.25
Interest on Working Capital	130.57	142.86	148.90	149.93

(₹ in lakh)

Asset – II				
Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
O&M Expenses	6.74	6.97	7.22	7.47
Maintenance Spares	12.13	12.55	12.99	13.45
Receivables	166.22	195.30	226.95	228.48
Total	185.09	214.82	247.16	249.40
Rate of Interest (in %)	11.25	11.25	11.25	11.25
Interest on Working Capital	15.69	24.17	27.81	28.06

Page 12 of 78

(₹ in lakh)

Asset – III				
Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
O&M Expenses	70.16	72.64	75.26	77.88
Maintenance Spares	126.28	130.75	135.46	140.19
Receivables	206.08	219.30	229.71	232.05
Total	402.52	422.69	440.43	450.12
Rate of Interest (in %)	11.25	11.25	11.25	11.25
Interest on Working Capital	34.12	47.55	49.55	50.64

(₹ in lakh)

Asset – IV				
Particulars	2020-21 (Pro-rata for 161 days)	2021-22	2022-23	2023-24
O&M Expenses	3.88	4.02	4.16	4.31
Maintenance Spares	6.99	7.23	7.49	7.75
Receivables	155.53	168.53	181.59	182.68
Total	166.40	179.78	193.24	194.74
Rate of Interest (in %)	11.25	11.25	11.25	11.25
Interest on Working Capital	8.26	20.23	21.74	21.91

(₹ in lakh)

Asset – V				
Particulars	2020-21 (Pro-rata for 74 days)	2021-22	2022-23	2023-24
O&M Expenses	40.52	41.96	43.47	44.98
Maintenance Spares	72.94	75.52	78.24	80.97
Receivables	246.64	253.74	259.72	259.36
Total	360.10	371.22	381.43	385.31
Rate of Interest (in %)	11.25	11.25	11.25	11.25
Interest on Working Capital	8.21	41.76	42.91	43.35

Date of Commercial Operation ("COD")

13. The Petitioner has claimed actual COD in respect of the transmission assets as follows:

Asset	SCOD of the transmission assets	Completion of Trial run	COD claimed for the transmission assets
Asset-I	3.11.2017	16.4.2020	17.4.2020
Asset-II		29.6.2020	30.6.2020
Asset-III		18.6.2020	30.6.2020
Asset-IV		15.8.2020	22.10.2020
Asset-V		16.1.2021	17.1.2021
Asset-VI		-	31.10.2021 (Anticipated)

Page 13 of 78



Order in Petition No. 673/TT/2020

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

51

14. In support of actual COD of the transmission assets, the Petitioner has submitted CEA Energisation Certificate, RLDC charging certificate certifying completion of trial operation of assets and CMD certificate in accordance with Regulation 5(2) of the 2019 Regulations as follows:

Assets	COD	CMD certificate date	Completion of trial run	RLDC charging Certificate date	CEA Energisation certificate date
Asset-I	17.4.2020	-	16.4.2020	29.4.2020	30.3.2020
Asset-II	30.6.2020	-	29.6.2020	8.7.2020	17.6.2020*
Asset-III	30.6.2020	-	18.6.2020	10.7.2020	31.3.2020
Asset-IV	22.10.2020	-	15.8.2020	7.9.2020	17.6.2020*
Asset-V	17.1.2021	-	16.1.2021	22.1.2021	17.6.2020*

*Provisional CEA Energisation certificate

15. It is observed that the Petitioner has submitted provisional CEA Energisation certificate for Asset-II, Asset-IV and Asset-V. It is mentioned in the CEA Energisation certificate that due to Covid-19 pandemic periodical inspection of electrical installations was not possible to be carried out. However, the Petitioner has submitted the RLDC charging certificate and CMD certificate as required under the Grid Code.

16. The Commission had directed the Petitioner to submit the status of downstream system of the transmission assets covered under the instant petition. In response, the Petitioner vide affidavit dated 15.9.2021 has submitted that downstream network at Koteswar Sub-station is already in place through 765 kV Tehri Pooling Station(Koteswar)-Meerut Transmission Line charged at 400 kV level and the same has been upgraded to 765 kV level in the transmission project.

17. The Petitioner has further submitted that downstream network w.r.t. ICT at Meerut Sub-station already existed and no additional downstream system at Meerut Sub-station were commissioned in the transmission project.

18. The Petitioner also submitted that 39th SCM of NR held on 29.5.2017 and 30.5.2017 wherein it has been agreed that upgradation of Tehri-Meerut 765 kV 2x S/C lines which were identified with the commissioning of their PSP generation project along with reactive compensation was delinked from the generation. The delinking of assets was also discussed in 1st and 2nd meeting of NRPCTP held on 24.1.2020, 1.9.2020 and special meeting separately held on 28.7.2020.

19. The Petitioner has submitted the details of the transmission assets covered under system strengthening and generation linked and it is as follows:

Sl. No.	Asset Name	System Strengthening /Generation linked
1	400 kV S/C Tehri (Generation) –Tehri Pooling Station (Koteshwar) line along with associated bays	Generation linked
2	4 th ICT of 800 MVA at Tehri Pooling Station (Koteshwar) Sub-station	Generation linked
3	3rd ICT of 1500 MVA at Meerut Sub-station	Generation linked
4	3 numbers of 800 MVA ICT at Tehri Pooling Station (Koteshwar) Sub-station	System Strengthening
5	Charging of Tehri Pooling Station-Meerut line at 765 kV along with upgradation of series capacitors	System Strengthening
6	240 MVAR Line reactors at Meerut end and 240 MVAR Bus reactor at Tehri Pooling Station (Koteshwar) Sub-station	System Strengthening

20. We have considered the submissions of the Petitioner.

(a) The relevant extracts of the 27th meeting of Standing Committee on Power System Planning in Northern Region, held on 30.5.2009 is as follows:

“9.0 Tehri PSP Transmission System

Powergrid explained that the transmission system to be associated with Tehri PSP was discussed and agreed during the 18th Standing Committee Meeting of Northern Region Transmission Planning held on 06.06.2005 and following transmission system was agreed:

- Tehri Generation – Tehri Pooling Stn. 400 kV (Quad Conductor)
- LILO of Bareilly – Mandaula 400 kV D/c at Meerut
- Charging of Tehri Pooling – Meerut line at 765 kV by establishment of 765/400 kV, 3x1500 MVA substations at Tehri Pool (due to Space constraints, Tehri Pooling station would be GIS) & Meerut.

• Modification of Series Capacitors for operation at 765 kV level Out of the above transmission system, following transmission elements have been agreed as a part of System Strengthening in Central Part of Northern region during the 26th Standing Committee Meeting:

- LILO of Bareilly – Mandaula 400 kV D/c at Meerut
- Charging of Meerut substation at 765 kV level with 2x1500 MVA transformation capacity Keeping above in view following transmission system was proposed to be taken up with Tehri PSP
- Tehri Generation – Tehri Pooling Stn. 400 kV (Quad Conductor)
- Establishment of 765/400 kV, 3x1500 MVA GIS substation at Tehri Pool
- Augmentation of 765/400 transformation capacity by 1x1500 MVA at Meerut
- Charging of Tehri Pooling – Meerut line at 765 kV level
- Modification of Series Capacitors for operation at 765 kV level RVPN enquired about the requirement of series compensation at 765 kV level. Member (PS) explained that the total generation to be evacuated over two 765 kV ckt was of the order of 3400 MW and considering the outage of one ckt there is a requirement of series 11 of 41 compensation. It was also explained that the series compensation equipment had been provided with to increase the height of insulated platform required for 765 kV and no other changes were required. The above was noted & concurred by the constituents."

(b) The relevant extracts of the 32nd meeting of Standing Committee on Power System Planning in Northern Region, held on 3.8.2013 is as follows:

"13.0 Tehri PSP Transmission System

13.1 POWERGRID stated that due to severe constraints in transportation of 500 MVA, 765/400 kV ICTs (Single Phase units) to Tehri Pooling station, POWERGRID proposed to provide 4 nos. of 800 MVA ICTs (14 Single Phase Units including 2 nos. spare units) instead of 3nos. of 1500 MVA ICTs. The four nos. of 800 MVA, 765/400 kV ICTs shall be able to evacuate from Tehri / Koteshwar HEPs. Accordingly Transmission system for Tehri PSP was modified as:

- i. Tehri Generation – Tehri Pooling Stn. 400 kV S/c (Quad Conductor)
- ii. Establishment of 765/400 kV, 4x800 MVA ICTs and GIS substation at Tehri Pooling station
- iii. Augmentation of 765/400 kV, 2x1500 MVA transformation capacity by 1x1500 MVA at Meerut
- iv. Charging of Tehri Pooling – Meerut line at 765 kV level v. Modification of Series Capacitors for operation at 765 kV level

13.2 The members noted that under outage of one transformer the capacity would be reduced to 2400 MVA for a short period till the spare transformer can be brought in the system.

Members agreed to the above proposal."

(c) The relevant extracts of the 39th meeting of Standing Committee on Power System Planning in Northern Region, held on 3.8.2013 is as follows:

"3.0 Delinking of up-gradation of Tehri Pooling Station–Meerut 765 kV 2xS/c lines (operated at 400 kV) at its rated voltage with the commissioning of Tehri PSS generation scheme.

3.1 CEA stated that in the 18th meeting of SCSPNR, the transmission system for Tehri PSP, Lohari Nagpala (4x150 MW) and Pala Maneri (416 MW) was agreed, which inter-alia included charging of Tehri-Meerut 765 kV 2 x S/C line at 765 kV (to be taken up matching with first of the three generation projects). The system was again discussed in 27th meeting of SCSPNR held on 11.06.2009, wherein, it was decided that charging of Tehri Meerut 765 kV 2 x S/C line at 765 kV would be taken up with Tehri PSP Generation. Presently, these lines are operating at 400 kV level. THDC vide their letter dated 14.2.2017 has informed that constraints are being observed in evacuation of power from Tehri / Koteshwar generation complex under contingency condition. THDC had mentioned that during planned shutdown of one circuit of 400kV Tehri pooling station (also called Koteshwar pooling station)-Meerut line, oscillations were observed at Tehri and Koteshwar hydro projects on 22.11.2016 at a power level of 1150 MW through single circuit. Subsequently, oscillations were damped on reduction of the generation. POWERGRID carried out the studies and observed that no oscillations were observed in the event of outage of one circuit of Tehri-Meerut 765 kV 2 x S/c lines, when the lines are operated at its rated voltage. Therefore, POWERGRID proposed that the up-gradation of this line at 765kV level may be de-linked with Tehri PSP generation and carried out on priority.

3.2 POWERGRID informed that Tehri PSP generation project is anticipated to be commissioned by August-September 2019 and the work on the upgradation of these lines at 765 kV (including upgradation of FSC) is already under progress and is expected to be completed by August/ Sep. 2018. The time gap between anticipated completion date of upgradation works and commissioning of Tehri PSP is about one year. Therefore, the proposal of delinking of upgrading of Tehri-Meerut 765 kV 2xS/C lines with the commissioning of Tehri PSP may be agreed.

3.3 POSOCO stated that the issue of oscillations was also discussed in recent OCC meetings of Northern Region. He enquired about the condition of FSC's on these lines. POWERGRID informed that FSC's on these lines would be operational in next two three months. 3.4 UPPTCL observed that the performance of FSC's, wherever provided in the grid is not satisfactory. Therefore, we should avoid planning FSC in future.

3.5 Chief Engineer, PSPA-1, CEA stated that system studies carried out by POWERGRID indicate that in the event of outage of one circuit of Tehri-Meerut 765 kV 2 x S/C lines, when the lines are charged at 765 kV, no oscillations are observed. Therefore, the upgradation works may be completed at the earliest to overcome any power evacuation constraints.

3.6 After further deliberations, members agreed to the proposal of de-linking of up-gradation of Tehri-Meerut 765 kV 2 x S/C lines (presently operated at 400 kV) with the commissioning of Tehri PSP generation project alongwith reactive compensation."

(d) The relevant extracts of the minutes of the 1st NRPCTP held on 24.1.2020 is as follows:

"20.0 Up-gradation of Tehri Pooling Station-Meerut 765kV 2xS/c lines (operated at 400 kV) at its rated voltage 20.1 CTU stated that under Tehri PSP (1000 MW) transmission system, 4x800 MVA, 765/400 kV ICTs and GIS Tehri/Koteshwar Pooling station along with charging of Tehri-Meerut at 765 kV & modification of series capacitors for operation at 765 kV level were agreed. However, during the 39th SCM of NR, the issue of oscillations at Tehri complex (1400 MW existing) under contingency condition was discussed and it was agreed to de-link the upgradation of Tehri-Meerut 765 kV 2 x S/C lines (presently operated at 400 kV) along with reactive compensation with the commissioning of Tehri PSP generation project. Considering power evacuation requirement from Tehri generation complex is only 1400 MW so 3x800

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Order in Petition No. 673/TT/2020

मुकेश कुमार वर्मा / M.K. VERMA
अपर महस्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

55

MVA ICTs & charging of Tehri-Meerut at 765 kV is proposed to be covered as part of system strengthening and 4th 800 MVA ICT along with other associated elements is proposed to be covered as part of transmission system associated with Tehri PSP. CTU added that the above transmission system is under advance stage of implementation and upon operationalization of LTA granted to THDC for Tehri PSP, the applicable transmission charges shall be payable by THDC/beneficiaries in accordance with the CERC Regulations. 20.2 CEA suggested that since commercial issue is involved, therefore consent from Tehri is needed. 20.3 CTU stated that for evacuation of 1400 MW power from Tehri HEP the transformer requirement is only 3x800 MVA, so, it is always beneficial from transmission tariff point of view to charge only three transformer instead of 4x800 MV. As such, the 4th 800 MVA ICT could be charged with the commissioning of Generation at Tehri PSS. Accordingly, following proposals were agreed: • For power evacuation requirement from Tehri HEP, only 3x800 MVA ICTs may be covered under strengthening scheme along with charging of Tehri-Meerut at 765 kV & modification of series capacitors for operation at 765 kV level. • Charging of 4th ICT should be matched with Tehri PSP generation. Members agreed to the above proposal subject to consent from THDC."

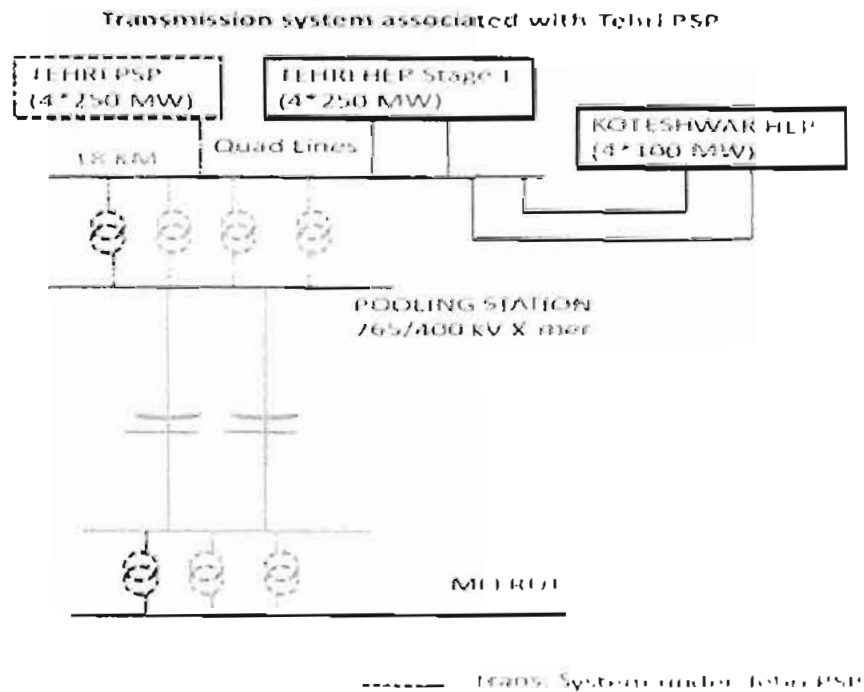
(e) The relevant extracts of the minutes of the 2nd NRPCTP held on 24.1.2020 is as follows:

"9.0 Up-gradation of Tehri Pooling Station–Meerut 765kV 2xS/c lines (operated at 400 kV) at its rated voltage 9.1 CEA stated that the transmission system under Tehri PSP (1000 MW) includes 4x800 MVA, 765/400 kV ICTs and Tehri/Koteshwar Pooling station, charging of Tehri-Meerut at 765 kV 2xS/c line along with modification of series capacitors for operation at 765 kV level, 240MVAR on each circuit of above line at Meerut end & 240 MVAR bus reactor at Tehri/Koteshwar Pooling Station. However, during the 39th Meeting of SCPSPNR, the issue of oscillations at Tehri complex (1400 MW existing) under n-1 contingency condition was discussed and it was agreed to de-link the up gradation of Tehri - Meerut 765 kV 2 x S/C lines (presently operated at 400 kV) along with reactive compensation with the commissioning of Tehri PSP generation project. Subsequently, in 1st meeting of NRPCTP held on 24.01.2020, for evacuation of 1400MW power from Tehri generation complex, following was agreed: (i) 3x800 MVA ICTs & charging of Tehri-Meerut line at 765 kV may be covered as part of system strengthening (ii) Charging of 4th 800 MVA ICT along with other associated elements to be matched with Tehri PSP 9.2 CEA further stated that the above decisions were to be intimated to THDC. Accordingly, a meeting was held among CEA, CTU and THDC on 28.07.2020 through VC, wherein THDC informed that they have no objection in this regard, however, their generation project has been delayed and is likely to be commissioned by June 2022. On this, it was also informed that charging of Tehri-Meerut line at 765 kV level and three ICTs have been completed. It was further informed that LTA granted to THDC would be operationalized with the charging of following transmission elements which are expected by Dec'20: • 4 th 800MVA ICT at Tehri PS • Tehri PSP – Tehri PS 400kV S/c line Upon operationalization, THDC will have to pay the transmission charges of above elements till commissioning of generation project. After deliberations, following was agreed: • 3x800 MVA ICTs at Tehri Pooling & charging of Tehri-Meerut line at 765 kV along with upgradation of series capacitors, 240MVAR Line reactors at Meerut end and 240MVAR Bus reactor at Koteshwar PS to be considered with the strengthening scheme.

9.2 CEA further stated that the above decisions were to be intimated to THDC. Accordingly, a meeting was held among CEA, CTU and THDC on 28.07.2020 through VC, wherein THDC informed that they have no objection in this regard, however, their

generation project has been delayed and is likely to be commissioned by June 2022. On this, it was also informed that charging of Tehri-Meerut line at 765 kV level and three ICTs have been completed. It was further informed that LTA granted to THDC would be operationalized with the charging of following transmission elements which are expected by Dec'20: • 4th 800MVA ICT at Tehri PS • Tehri PSP – Tehri PS 400kV S/c line Upon operationalization, THDC will have to pay the transmission charges of above elements till commissioning of generation project. After deliberations, following was agreed:

- 3x800 MVA ICTs at Tehri Pooling & charging of Tehri-Meerut line at 765 kV along with upgradation of series capacitors, 240MVAR Line reactors at Meerut end and 240MVAR Bus reactor at Koteshwar PS to be considered with the strengthening scheme.
- 18km line from Tehri PSP to the Pooling station, the 4th ICT at Tehri Pooling station and the 3rd ICT at Meerut to be considered associated with Tehri PSP
- THDC to expedite the commissioning of the Tehri PSP



9.4 Regarding the progress of Tehri PSP, THDC informed that there is delay in the civil works due to the contractor issue in Tehri PSP, however, EM works have been started as per the original schedule, GSU have been installed for all 4 units and GIS works have been completed. Due to COVID, works may further get delayed to Dec, 2022.

9.5 CE, CEA further stated that with expected Dec, 2022 timeframe, transmission charges have to be paid for 2 years, i.e. from Dec, 2020 to Dec, 2022. THDC stated that the existing Tehri HEP faces evacuation problem and is forced to be backed down by NRLDC whenever one of the line goes out.

9.6 POSOCO stated that earlier when the system was at 400 kV, whenever there was problem in FSC, restrictions were imposed as 1400 MW (plus overload) could not be evacuated on a single 400 kV circuit due to oscillations, therefore shutdown was required. He further stated that now at 765 kV there would be no constraint as loading of the line is increased. He then enquired about the requirement of FSC's with the coming of Tehri PSP and after upgradation of Meerut – Koteshwar D/C at 765 kV level.

9.7 Regarding FSC, CTU stated that the total installed capacity will be 2400 MW at Tehri Complex, after the commissioning of Tehri PSP. There is a possibility that oscillations might occur in the complex, therefore FSC's would be required at 765 kV level also.

CTU further informed that as per the latest updates, the commissioning of the 4th ICT and the 18 km 400 kV S/c line from Tehri PSP to Tehri PS would be done by the end of October, 2020 and LTA will be effective from 1st November, 2020. Tariff for the same would be applicable as per the CERC regulations.

9.8 CE, CEA suggested THDC to resolve the issue with the contractor at the generation site at the earliest and expedite the charging of units at Tehri PSP, in order to reduce the burden of the transmission charges.

9.9 After deliberations, following was agreed:

(i) 3x800 MVA ICTs at Tehri Pooling Station & charging of Tehri-Meerut line at 765 kV along with upgradation of series reactors, 240MVA Line reactors at Meerut end and 240 MVA Bus reactor at Koteshwar PS to be considered with the strengthening scheme.

(ii) 18 km line from Tehri PSP to the Pooling station, the 4th ICT at Tehri Pooling station and the 3rd ICT at Meerut to be considered associated with Tehri PSP and after Commissioning of these transmission elements, THDC will have to pay the transmission Charges as per CERC regulations till the commissioning of their generation."

21. Based on the above, Asset-I, Asset-II and Asset-IV are part of system strengthening and Asset-III and Asset-V are generation linked.

22. The CODs of the transmission assets are approved taking into consideration the provisional CEA energisation certificate, RLDC charging certificate and CMD certificate. The details are given in the following table. The Petitioner is directed to submit the CEA energisation certificate of Asset-II, IV and V at the time of truing up.

Assets	COD
Asset-I	17.4.2020
Asset-II	30.6.2020
Asset-III	30.6.2020
Asset-IV	22.10.2020
Asset-V	17.1.2021

23. Asset-III and Asset-V are linked with Tehri PSP and the treatment of sharing of transmission charges is dealt in relevant paragraph of this order.

Capital Cost

24. Regulation 19 of the 2019 Tariff Regulations provides as follows:

"19 Capital Cost: (1) *The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence check in accordance with these regulations shall form the basis for 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) *Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*
- (d) *Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*
- (e) *Capitalised Initial Spares subject to the ceiling rates in accordance with these regulations;*
- (f) *Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*
- (g) *Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;*
- (h) *Adjustment of revenue earned by the transmission licensee by using the Asset-before the date of commercial operation;*
- (i) *Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
- (j) *Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway.*
- (k) *Capital expenditure on account of biomass handling equipment and facilities, for co-firing;*
- (l) *Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;*

- (m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;
- (n) Expenditure on account of change in law and force majeure events; and
- (o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

(3) The Capital cost of an existing project shall include the following:

- (a) Capital cost admitted by the Commission prior to 1.4.2019 duly trued up by excluding liability, if any, as on 1.4.2019;
- (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
- (c) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and
- (f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries."

(4) The capital cost in case of existing or new hydro generating station shall also include:

- (a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and
- (b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.

(5) The following shall be excluded from the capital cost of the existing and new projects:

- (a) The Asset-forming part of the project, but not in use, as declared in the tariff petition;
- (b) De-capitalised Asset-after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

Provided that in case replacement of transmission Asset-is recommended by Regional Power Committee, such Asset-shall be decapitalised only after its redeployment;

Provided further that unless shifting of an Asset-from one project to another is of permanent nature, there shall be no de-capitalization of the concerned asset.

(c) In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;

(d) Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and

(e) Any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment."

25. The Petitioner vide Auditor's Certificate dated 14.10.2021 has claimed the following capital cost incurred as on COD and Additional Capital Expenditure (ACE) projected to be incurred, in respect of the transmission assets:

(₹ in lakh)

Assets	Apportioned Approved Cost as per FR	RCE Apportioned Cost*	Capital Cost claimed as on COD	Projected ACE				Total Capital Cost as on 31.3 2024
				2020-21	2021-22	2022-23	2023-24	
Asset-I	36674.95	42852.25	36359.66	942.44	4440.12	1110.03	0.00	42852.25
Asset-II	10291.31	11717.59	7829.99	243.69	2915.12	728.79	0.00	11717.59
Asset-III	7627.76	6111.57	4806.30	392.71	730.04	182.52	0.00	6111.57
Asset-IV	10855.61	9742.61	7634.22	200.48	1335.54	381.58	190.79	9742.61
Asset-V	8437.33	10460.80	9474.08	101.71	619.50	177.01	88.50	10460.80
Total	73886.96	80884.82	66104.25	1881.03	10040.32	2579.93	279.29	80884.82

*Provisional apportionment

Cost Over-run

26. The estimated completion cost of the transmission assets based on the Auditor's Certificate works out to ₹80884.82 lakh including IEDC and IDC. The estimated completion cost is more than the FR cost, but it is within the RCE approved cost of ₹80884.82 lakh. The Petitioner has submitted that apportionment of cost in the RCE is based on provisional calculation, hence, apportionment may be revised after finalization of actual expenditure.

27. UPPCL has submitted that there has been significant delay in achieving the COD

both in respect of Asset-I and Asset-II, which, inter alia, also contributed towards cost over-run. The Petitioner instead of furnishing detailed justifications for cost over-run, has mentioned that bid price discovered through tender has been high, hence the actual cost is more than the estimated (FR) cost. In the absence of RCE, the Commission may restrict the tariff based on the approved cost subject to true-up.

28. In response, the Petitioner has submitted that the cost variation details /Copy of RCE/ Revised Auditor's Certificates of all the assets along with the detailed justification of cost variation has been submitted vide affidavit dated 27.10.2021 and has prayed to allow capital cost of all the assets as claimed in the instant petition

29. We have considered the submissions of the Petitioner and UPPCL. The Petitioner has submitted Form-5 and following justification for cost variation from FR cost of ₹73886.96 lakh to completion cost of ₹80884.82 lakh as on 31.3.2024:

(a) The Petitioner, being a Government enterprise, has been following a well laid down procurement policy which ensures both transparency and competitiveness in the bidding process. Through this process, lowest possible market prices for required product/services/as per detailed designing is obtained and contracts are awarded based on lowest evaluated eligible bidder. The best competitive bid prices against tenders may vary as compared to the cost estimate depending upon prevailing market forces, design and site requirements. Whereas, the estimates, are prepared by the Petitioner as per well-defined procedures. The FR cost estimate is broad indicative cost worked out generally based on average unit rates of recently awarded contracts/general practice.

(b) Further, regarding variation in cost of individual item, the packages under subject scope of works comprises of a large no. of items and the same are awarded through open competitive bidding. In the said bidding process, bids are received from multiple parties quoting different rates for various BOQ items under the said

package. Further, lowest bidder can be arrived at/ evaluated on overall basis only. Hence, item-wise unit prices in contracts and its variation over unit rate considered in FR estimates are beyond the control of the Petitioner.

(c) Details of cost variation w.r.t. FR cost is as follows:

Sl. No.	Variation on account of:	Variation	
		(₹ in lakh)	(in %)
(i)	Price Variation		
A	DPR to Award (on competitive bidding while tendering)	1474	1.69%
B	As per contractual provisions (for PV based on indices)	3244	3.72%
	Sub-Total (PV)	4718	5.41%
(ii)	Variation in quantities of approved items	(-) 785	(-) 0.90 %
(iii)	Addition / Deletion	(-) 3608	(-) 4.14 %
(iv)	Land and Compensation	(-) 268	(-) 0.31 %
(v)	FERV on packages awarded in foreign currency	4129	4.74%
(vi)	Other Reasons (IEDC and IDC)		
A	IEDC (incl. Contingencies)	(-) 4376	(-) 5.02 %
B	IDC	3278	3.76%
	Sub-total (IEDC and IDC)	(-) 1099	(-) 1.26 %
	Grand Total	3087	3.54%

(d) Details of major variation:

Price Variation (PV) (Net increase of ₹4718 lakh: 5.41 %)

There has been an increase in the cost of the transmission project by ₹4718 lakh on this account, which works out to 5.41% of the approved cost as per details given below:

- Out of a total price variation, price variation of ₹1474 lakh has been incurred from the time of approval of project till award of various contracts (DPR to Award) based on prices received as per competitive bidding and balance price variation of ₹3244 lakh has been incurred/ likely to be incurred on the basis of PV based on indices as per provision of respective contracts.
- As regards price variation from DPR to Award, the Contracts for various packages under this project were awarded to the lowest evaluated and

responsive bidder, on the basis of Competitive Bidding. Thus, the award prices represent the lowest prices offered at the time of bidding of various packages.

- Further, price variation of ₹3244 lakh has been incurred/ likely to be incurred under contracts based on provision of respective contracts. The reasons for the same is attributable to inflationary trends prevalent during execution of project from December 2013 (first OBD under the project) to March, 2020 (period of major supplies). The details of variation in indices of various major raw materials as follows:

Name of Indices	November, 2013 (one month prior to first OBD)	March, 2016	March, 2018	March, 2020	% Increase from first OBD
Blooms (150mm x 150mm)	31695 (available from April, 2014)	26100	41291	34313	8
HG Zinc	145000	143900	260800	170500	18
EC Grade Al	150217	135972	159720	145164	-3
Copper	466922	352213	466163	402571	-14
CRGO	199393	269025	246075	249475	25
WPI	114.3	107.7	116.3	120.4	5
WPI for Basic Metals	102.3	89.2	109.6	106.0	4
WPI for Fuel & Power	116.2	76.5	98.0	99.5	-14
CPI	243	270	287	326	34

- The project involves foreign currency payments in US Dollar for GIS package during the project execution. Due to variation in exchange rates, there is an actual/ anticipated increase of ₹4129 lakh under the head FERV of packages.

30. We have considered the submissions of the Petitioner. It is observed that the cost variation is primarily on account of variation in estimated prices and final competitive prices. As compared with FR cost, the estimated completion cost of Asset-I, Asset-II and Asset-III is varied by about ₹6177.30 lakh, ₹1426.28 lakh and ₹2023.47 lakh. Based on the estimated completion cost, the Petitioner has submitted the RCE duly approved by the Board of Directors. The estimated completion cost of

Asset-I, Asset-II, Asset-III, Asset-IV and Asset-V is within RCE cost.

Time Over-run

31. The scheduled COD of the transmission project as 3.11.2017, against which the transmission assets have been put under commercial operation as follows:

Assets	SCOD	COD	Time over-run (days)
Asset-I	3.11.2017	17.4.2020	896
Asset-II		30.6.2020	970
Asset-III		30.6.2020	970
Asset-IV		22.10.2020	1084
Asset-V		17.1.2021	1171

32. Therefore, there is a time over-run ranging from 896 days to 1171 days in respect of the transmission assets.

33. The Petitioner has submitted that, as per IA, all the transmission assets covered in the instant petition was supposed to be commissioned matching with the Zero date of the Implementation Agreement (IA) signed with the generator. The Petitioner further made the following submissions:

- a) All the assets covered in the instant petition was planned for evacuation of power from Tehri HEP and Koteshwar HEP and agreed in 18th SCM in Northern Region. Subsequently, the scope of the transmission project was also discussed and agreed in the 27th and 32nd Standing Committee on Transmission System Planning of Northern Region held on 30.5.2009 and 31.8.2013 respectively and 13th and 29th meetings of NRPC held on 27.6.2009 and 13.9.2013.
- b) However, commissioning of THDC generating units got delayed. Same was discussed in various JCC meetings. As per 6th JCC meeting held on 28.3.2019, commissioning schedule of generating units were given as December, 2020. In the 39th SCM in Northern Region held on 29.5.2017 and 30.5.2017 it was discussed and agreed that up-gradation of Tehri-Meerut 765 kV 2 x S/C lines

(presently operated at 400 kV) with the commissioning of Tehri PSP generation project along with reactive compensation was delinked from the generation, which was in the scope of THDC.

34. THDC has submitted that the time over-run in case of the transmission asset cannot be attributable to THDC and it is not liable for payment of any transmission charges till commissioning of the Tehri PSP. THDC also submitted that the Petitioner has failed to adhere to its obligations of commissioning transmission assets within required time frame and the transmission assets were de-linked from commissioning of the Tehri PSP. THDC made the following submissions w.r.t to delay in commissioning of the transmission project:


a) Tehri Hydro Complex gets pooled at Koteshwar Pooling Station(KPS) owned by the Petitioner through the following transmission lines:

- (i) Two 400kV single circuits from Tehri HPP.
- (ii) One 400kV single circuit from Tehri PSP
- (iii) Two 400kV single circuits from Koteshwar HPP.

b) During 18th meeting of Standing Committee on Power System Planning in Northern Region (SCPSNR) held on 6.6.2005 following was agreed:

- Tehri-Meerut Transmission Line would be upgraded to 765kV for evacuation of power from Tehri PSP, Lohari Nagpala (4X150 MW) and Pala Maneri (416 MW)
- Charging of this line at 765 kV would be taken up matching with generation of the aforementioned three projects.

c) **2xS/C line at 765 kV to be constructed**-It was further re-affirmed during 27th meeting of SCPSNR held on 11.6.2009 that charging of Tehri-Meerut 765kV 2xS/C line at 765kV would be taken up matching with commissioning of Tehri PSP.


A

Order in Petition No. 673/TT/2020

66

- d) **765 kV circuits were operated at 400 kV compensated by FSCs**-Two outgoing circuits for the transmission of pooled power from KPS to Meerut, though designed for 765 kV since inception were however, being operated at 400 kV till 10.4.2020, because only 1400 MW power (1000 MW from Tehri HPP and 400 MW from Koteshwar HEP) was being handled by this pooling station. These two outgoing circuits have been compensated by two FSCs (400 kV) at Meerut-end to enhance the power transfer capability of these circuits for smooth flow of power without causing any unwanted oscillations in the system.
- e) **Constraints noted in evacuation of power**-Constraints were observed in evacuation of power from Tehri/ Koteshwar generation complex under contingency condition. It is matter of record that transmission system between KPS and Meerut charged at 400 kV was not able to handle power transmission of 1400 MW from Tehri Power Complex during contingency in the event of outage of one of the lines and associated FSC.
- f) **FSCs installed faced frequent breakdowns**- FSCs installed at Meerut end were under frequent breakdowns thus limiting the power handling capacity of lines. This led to power oscillations at Tehri power complex as and when the total generation from Tehri Complex exceeded 1150 MW. In order to address the said issue and to manage power oscillations optimally, the issue was discussed in various meetings of NRPC (OCC, TCC) and the Petitioner was asked to take suitable measures to ameliorate the transmission constraint.
- g) **Generation backed down to avoid tripping**-In 126th OCC Meeting, it was decided that 350 MW generation (1 unit of 250 MW of Tehri HPP and one unit of 100 MW Koteshwar HEP) from Tehri Power Complex would be backed out from grid by way of special protection scheme (SPS) during tripping of one of the lines so that peak power (1400MW) from both the plants could safely be transmitted between KPS and Meerut.
- h) **Assets de-linking from generation-FSC at Meerut** was getting inordinately delayed and the Petitioner has failed to rectify the issue. In order to mitigate the issue, during 39th meeting of SCPSNR dated 29.5.2017 and 30.5.2017, the

Petitioner itself proposed to delink the up gradation of Tehri-Meerut lines at 765 kV which is being operated at 400 kV with the commissioning of Tehri PSP to get rid of the power oscillations being observed and unreliability of series compensation at Meerut end and it was unanimously agreed to advance the up gradation process to alleviate the problem of oscillations in the system during transmission of peak power from Tehri complex.

- i) If not for the problems of oscillations due to non-functioning of FSC at Meerut, installation of exclusive elements required for transmission of Power from Tehri PSP could have been deferred and rescheduled matching with the commissioning of Tehri PSP.
- j) The Petitioner vide letter no. C/CTU/N/07/Tehri PSP/Op dated 26.8.2020, intimated the expected date of commissioning of ISTS system associated with Tehri PSP i.e., October, 2020 and stated that LTA would be made effective w.e.f. 1.11.2020 and THDC shall be liable to pay transmission charges for delayed generation in accordance with the Commission's Regulations.
- k) THDC vide letter no. THDC/RKSH/EMD/3668 dated 31.8.2020 contested against correspondence and requested for linking the charging of equipment associated with Tehri PSP at KPS co-terminus with the commissioning schedule of Tehri PSP.

35. In response, the Petitioner has reiterated the submission that the transmission assets were planned for evacuation of power from Tehri HEP and Koteshwar HEP. It was discussed and agreed that up-gradation of Tehri-Meerut 765 kV 2 x S/C lines (presently operated at 400 kV) with the commissioning of Tehri PSP generation project along with reactive compensation was delinked from the generation, which was in the scope of THDC. Further, detailed discussion for delinking of assets discussed in 1st Northern Regional Power Committee (Transmission Planning) (NRPCTP) held on 24.1.2020, 2nd Meeting of Northern Regional Power Committee (Transmission Planning) (NRPCTP) held on 1.9.2020 and special meeting separately held on

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Order in Petition No. 673/TT/2020

मुकेश कुमार वर्मा / **M.K. VERMA**
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
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THDC India Limited, Rishikesh

68

28.7.2020. As per 1st and 2nd NRPCTP meeting, it was deliberated and agreed that THDC will have to pay the transmission charges till commissioning of generating units. The transmission assets were put into commercial operation from 17.4.2020 onwards. As per latest JCC i.e., 18th JCC meeting held on 25.6.2021 commissioning schedule of generating units were revised to December,2023. Therefore, generation linked transmission assets were also commissioned along with the delinked assets due to contractual obligation.

36. As regards the contention of THDCL that it is not liable to pay transmission charges for the delayed period is baseless and wrong. As per the Indemnification Agreement dated 23.9.2014 zero date has been agreed as 3.11.2017 and as per the clause 1(i) of the Indemnification Agreement, in case of non-commissioning of 1st unit of THDC, THDC shall bear the IDC or the transmission charges till the transmission system is declared under commercial operation. The Petitioner has further submitted the following clarifications regarding the liability of THDC:

- a) Further, in 39th SCM of Power System Planning of NR held on 29.5.2017 and 30.5.2017 matter of urgency of commissioning of Tehri-Meerut 765 kV 2x S/C line was discussed due to oscillations observed at Tehri and Koteshwar Hydro Projects during planned shutdown of one circuit of 400 kV Tehri Pooling Station-Meerut line and at power level of 1150 MW and Oscillations were damped on reduction of generation. Further, generating units were also getting delayed. Therefore, to avoid oscillations and generation shutdown, de-linking of Tehri-Meerut 765 kV 2xS/C line was discussed and agreed.
- b) Further, in 6th JCC meeting held on 28.3.2018, and all subsequent JCC meetings in NR, the issue of NHPC liability of payment of transmission charges after completion of transmission system was discussed continuously. Apart from JCC meetings, issue of liability THDC w.r.t. the payment of transmission charges has been discussed in other forums/meetings also.

- c) Further, in the 1st NRPCTP meeting held-on 24.1.2020 and 2nd meeting of NRPCTP held on 1.9.2020, CTU:IL stated that applicable transmission charges shall be payable by THDC/beneficiaries in accordance with the Commission's Regulations.
- d) It is submitted that, as per the final discussions and deliberations in various forums it is submitted that among all the assets covered in the instant petition, Asset-I, Asset-II, Asset-IV, Asset-VI has been de-linked form the generation and agreed as System Strengthening Scheme and Asset-III and Asset-V remained to be linked to Tehri PSP. Therefore, Transmission tariff for Asset-III and Asset-V shall be borne by the THDC till the commissioning of its generation.

37. The Petitioner in its Written Submissions dated 1.7.2022 has made the following submissions:

- 400 kV Koteshwar GIS Pooling Station was put into commercial operation in 2011 under the Project "Transmission System associated with Koteshwar HEP." Investment approval for this project was accorded in 2005 and land (for both 400 kV and 765 kV) at Koteshwar was acquired in 2006. It is mentioned that a road for movement of the local villagers was coming inside the land premises (at 765 kV side) due to which boundary wall could not be constructed as the villagers protested against the same.
- Due to non-closure of the sub-station boundary, villagers' movement could not be restricted, and they created frequent RoW issues during construction of 400 kV Koteshwar GIS which led to delay in completion of the said project. Due to priority of 400 kV GIS under the said system and protest from the villagers, site levelling and slope protection work of only 400 kV land was carried out and the Petitioner was forced to stop the levelling of 765 kV land.

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Order in Petition No. 673/TT/2020

70

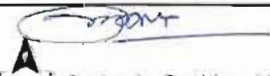
- The Petitioner submitted the documentary evidence and chronology of events, of the overall delay as shown below:

Sl. No.	Particulars	Date	Remarks
1.	Local villagers raised their demands for rehabilitation and employment	February, 2015 & March, 2015	ROW issue created by the local villagers and
2.	Finalized rate was communicated by SDM, Narendra Nagar to DM, Tehri Garhwal vide letter dated 20.10.2015	9.10.2015	SDM, Narendra Nagar held a meeting with the villagers for their consent in respect of land acquisition for construction of road
3.	SDM, Narendra Nagar intimated DM, Tehri Garhwal for revised survey	27.1.2016	SDM, Narendra Nagar intimated DM, Tehri Garhwal that land of some villagers was left out during survey and therefore re-survey was done
4.	Land Record issued	26.12.2016	--
5.	Notification of land auction issued	27.1.2017	--
6.	Revised Land Record issued	27.5.2017	Final Land purchase
7.	DM Permission for purchase of land from SC	22.9.2017	Small portion of land purchase approval
8.	MOU with PWD	4.10.2017	--
Following ROW continued even after purchase of Land			
9.	Letter regarding Forcible Stoppage of work at Koteshwar site	31.1.2016	Work stopped by the local villagers for additional demand of compensation, relocations of the affected villagers and employment of local people and deployment of local contractors
10.	Letter regarding Forcible Stoppage of work at Koteshwar site	8.2.2016	Work stopped by the local villagers for additional demand of compensation, relocations of the affected villagers and employment of local people and deployment of local contractors
11.	Letter from Koteshwar Power Pooling (Prabhawit) Jan Hitashi Samiti, Village Fafaran, Tehri	2.3.2016	Letter regarding employment for local villagers.
12.	Letter from Koteshwar Power Pooling (Prabhawit) Jan Hitashi Samiti, Village Fafaran, Tehri	April, 2016	Letter regarding employment for local villagers
13.	Letter regarding Forcible Stoppage of work at Koteshwar site	3.5.2016	Work stopped by the local labourers and local labourers misbehaved with the working staff

Sl. No.	Particulars	Date	Remarks
14.	Letter regarding Lodging of F.I.R	4.5.2016	Complaint was registered to against the local villagers/individuals who came inside the POWERGRID premises and physically assaulted and abused the officials and workers
15.	Letter regarding Forcible Stoppage of work at Koteshwar site	5.5.2016	Work stopped by the local villagers for additional demand of compensation, relocations of the affected villagers and employment of local people and deployment of local contractors
16.	FIR lodged on account of incident held on 04.05.2016	5.5.2016	FIR filed to hinder the work
17.	Charge sheet filed against Project Manager of executing agency (KEC)	14.8.2016	FIR filed to hinder the work
18.	Court Case disposed of by the court	7.3.2018	Hon'ble High Court of Uttarakhand, Nainital instructed POWERGRID to consider shifting the alignment of the towers to protect the life and liberty of the residents of Village Saunthyal Gaon & Fafran Gaon, if technically feasible.

38. We have considered the submissions of the Petitioner and THDC and have gone through the documentary evidence provided by the Petitioner in support of time over-run. As per IA, the assets are scheduled to be put into commercial operation within 33 months matching with the zero date of the implementation agreement signed with the generator. As per the implementation agreement, SCOD of the ATS is 3.11.2017 against which Asset-I, Asset-II, Asset-III, Asset-IV and Asset-V were put into commercial operation on 17.4.2020, 30.6.2020, 30.6.2020, 22.10.2020 and 17.1.2021 respectively, Thus, there is time over-run of 896 days, 970 days, 970 days, 1094 days and 1071 days, respectively.

39. The Petitioner has submitted that the main reason for time over-run is delay in purchase of land for construction of alternate road and RoW issues.



Order in Petition No. 673/TT/2020

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

72

40. The time over-run of remaining assets i.e., Asset-I, Asset-II, Asset-III, Asset-IV, and Asset-V is dealt hereunder:

(a) The Petitioner has submitted that from February, 2015 and March, 2015 to 4.10.2017, the assets are delayed due to purchase of land for construction of road. It is observed that as per the chronology of the RoW events, about 976 days delayed due to RoW issues towards purchase of land for construction of road. Out of the 976 days, the Petitioner has submitted valid justification from 9.10.2015 to 27.1.2016 and 26.12.2016 to 27.5.2017. Then from 9.10.2015 to 26.12.2016, the Petitioner submitted that, on 9.10.2015, SDM, Narendra Nagar held a meeting with the villagers for their consent in respect of land acquisition for construction of road. The finalised rate was communicated by SDM, Narendra Nagar to DM, Tehri Garhwal vide letter dated 20.10.2015 requesting to instruct the Petitioner for paying this amount to the respective landowners. The Petitioner has submitted relevant documentary evidence to justify the same. Hence, the period from 9.10.2015 to 26.12.2016 i.e., 111 days is condoned for Asset-I, Asset-II, Asset-III, Asset-IV, and Asset-V. Further, it can be observed that after land record was issued on 26.12.2016, the same was revised and re-issued on 27.5.2017. However, no justification for the same is given. Hence, delay during this period is not condoned. Then from 27.5.2017 to 4.10.2017, after purchase of land there was re-negotiation with landowners due to revision in estimate for construction of alternate road, hence, MOU signed with PWD, Uttarakhand was no longer valid and another MOU was signed on 4.10.2017. The Petitioner has submitted relevant documentary evidence for the period hence this delay of 131 days is condoned for Asset-I, Asset-II, Asset-III, Asset-IV, and Asset-V.

A

73



Therefore, out of the total delay of 970 days towards purchase of land for construction of road, time delay of 242 days is beyond the control of the Petitioner and the same has been condoned for Asset-I, Asset-II, Asset-III, Asset-IV, and Asset-V.

(b) The Petitioner has submitted that the Petitioner has faced RoW problems from 31.1.2016 to 14.8.2016 and the same has been subsumed in the RoW problems towards purchase of land for construction of road. The Petitioner has further submitted that there was time over-run due to court case, which was disposed on 7.3.2018. However, the Petitioner has not submitted when the court case was filed and which location was impacted because of the court case. Due to non-submission of valid justification, and exact time period impacted due to court case, we have not condoned the time overrun due to court case.

41. Accordingly, the decision with regard to time over-run in respect of the transmission assets covered in the instant petition is as follows:

Assets	SCOD	COD	Time over-run (days)	Time over-run condoned	Time over-run not condoned
Asset-I	3.11.2017	17.4.2020	896	242	654
Asset-II		30.6.2020	970	242	728
Asset-III		30.6.2020	970	242	728
Asset-IV		22.10.2020	1084	242	842
Asset-V		17.1.2021	1171	242	929

Interest During Construction ("IDC") and Incidental Expenditure During Construction ("IEDC")

42. The Petitioner has claimed IDC in respect of the transmission assets and has submitted the Auditor's Certificate dated 14.10.2021 in support of the same. The Petitioner has submitted the computation of IDC along with year-wise details of IDC discharged.

43. UPPCL has submitted that the Petitioner has provided the incomplete information regarding the rate of interest on various loans which are substantial quantum of the total borrowings, hence, no prudence is possible in quantification of IDC. Accordingly, no IDC should be allowed in the tariff as of now. In response, the Petitioner has submitted that it has submitted revised IDC statements along with the IDC calculations as per the revised Auditor's Certificates vide affidavit dated 27.10.2021.

44. We have considered the submissions of the Petitioner and UPPCL. The loan amount as on COD has been mentioned in Form-6 and Form-9C. While going through these documents, it is observed that there is mismatch in loan amount between IDC statement and in Form-9C. Therefore, the allowable IDC has been worked out based on the available information and relying on loan amount as per Tariff Form 9C. The Petitioner is directed to submit the detailed IDC statement by rectifying the above-mentioned deviation, at the time of true up.

45. The loan details submitted in Form-9C for 2019-24 tariff period and IDC computation statement have been considered for the purpose of IDC calculation on cash basis and on accrued basis. The un-discharged IDC as on COD has been considered as ACE during the year in which it has been discharged. Further, adjustment on account of time over-run has been done to arrive at the admissible IDC. However, in the statement showing IDC discharged up to COD, the Petitioner has not indicated the floating rate of interest of the loans deployed. IDC on cash basis up to COD has been worked out on the basis of loan details given in the statement showing discharge of IDC and Form-9C in respect of the transmission assets.

46. For loans after 1.4.2019, i.e., for 'SBI-04 (2019-2020) (Q1)' the rate of interest has been considered at 8.35% on drawl date. The Petitioner is directed to submit information on actual interest rates at the time of truing-up.

47. Accordingly, based on the information furnished by the Petitioner, IDC allowed, is as follows:

(₹ in lakh)

Assets	IDC as per Auditor's Certificate	IDC admissible	IDC disallowed due to time over-run/ computational difference	IDC discharged as on COD	IDC Un-discharged as on COD	IDC discharge during
						2019-24
	A	B	C=A-B	D	E=B-D	F
Asset-I	3522.87	801.31	2721.56	801.31	0.00	0.00
Asset-II	843.02	151.21	691.82	151.21	0.00	0.00
Asset-III	506.38	94.95	411.43	94.95	0.00	0.00
Asset-IV	1048.41	203.74	844.67	203.74	0.00	0.00
Asset-V	1452.16	315.77	1136.39	315.77	0.00	0.00

48. The Petitioner has claimed IEDC and has submitted Auditor's Certificate in support of the same. IEDC is allowed as claimed subject to adjustment as per non-condonation of time over-run. The details of claimed and allowed IEDC are as follows:

(₹ in lakh)

Particulars	IEDC claimed (As per Auditor's Certificate)	IEDC disallowed (due to time over-run)	IEDC allowed (As on COD)
	1	2	3 = (1-2)
Asset - I	354.27	121.56	232.71
Asset - II	72.32	26.59	45.73
Asset - III	55.09	20.26	34.83
Asset - IV	69.75	28.05	41.70
Asset - V	109.22	46.52	62.70

Initial Spares

49. The Petitioner has claimed Initial Spares in respect of the transmission assets in accordance with the Regulation 23(d) of the 2019 Tariff Regulations subject to the following ceiling norms:

"(d) Transmission System

- i. Transmission line: 1.00%
- ii. Transmission sub-station
 - Green Field: 4.00%
 - Brown Field: 6.00%
- iii. Series Compensation devices and HVDC Station: 4.00%
- iv. Gas Insulated Sub-station (GIS)
 - Green Field: 5.00%
 - Brown Field: 7.00%
- v. Communication System: 3.50%
- vi. Static Synchronous Compensator: 6.00%

50. The Petitioner has claimed the following Initial Spares:

Assets	Particulars	Plant & Machinery Cost up to cut-off date (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Ceiling (in%)
Asset – I	Sub-station	5583.00	350.29	6.00
	Sub-station (GIS)	27810.92	1744.90	7.00
	Transmission Line	1356.04	12.69	1.00
	PLCC	115.49	3.84	3.50
Asset – II	Sub-station	4227.88	259.34	6.00
	Sub-station (GIS)	4227.88	259.34	7.00
	Transmission Line	1346.97	12.69	1.00
	PLCC	91.81	5.55	3.50
Asset – III	Sub-station	5256.52	293.58	6.00
Asset – IV	Sub-station	7598.25	502.30	7.00
Asset – V	Sub-station	7819.72	518.16	7.00

51. The Petitioner has prayed to consider Initial Spares on overall project basis as per the APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017. Further, the Petitioner has submitted that Initial Spares are essential spares for smooth running of the grid and has prayed to be allowed in full under Regulation 76 of 2019 Tariff Regulation, "Power to Relax".

52. UPPCL has submitted that the Commission may not allow such excess initial spares in respect of PLCC/ Communication as claimed in absence of justifiable reason submitted by the Petitioner, except requesting for invocation of Power to Relax under Regulation 76 of 2019 Tariff Regulations. In response, the Petitioner has reiterated its submissions.

53. We have considered the submissions of the Petitioner and UPPCL. As per the APTEL's judgment dated 14.9.2019 in Appeal No. 74 of 2017, Initial Spares are to be allowed as per the ceiling on overall project cost. The APTEL in judgement dated 14.9.2019 in Appeal No. 74 of 2017 held as follows:

"8.13.....We do not agree with this methodology of restricting initial spares asset/element wise as adopted by the Central Commission. The Central Commission to have a prudence check on the initial spares, being restricted based on the individual asset wise cost initially, but subsequently ought to have allowed as per the ceiling limits on the overall project cost basis during the true-up"

54. Accordingly, Initial Spares are to be allowed as percentage of the project cost as a whole. The transmission project is currently not complete. Therefore, initial spares is allowed on the basis of individual transmission asset wise in 2019-24 tariff period. The project cost as a whole shall be arrived at, only when all the assets are combined in the subsequent tariff periods. Further, the Petitioner has not submitted any justifiable reason for claiming excess Initial Spares in respect of Asset-I and Asset-II. Hence, Initial Spares are allowed as per the norms in 2019 Tariff Regulations.

55. The Petitioner has claimed Initial Spares on PLCC under Communication System separately for Asset-I and Asset-II. Form 5 under Part-III of the 2019 Tariff Regulations requires the transmission licensee to provide "Element wise Break-up of Project/Asset/Element Cost for Transmission System or Communication System". Details are required to be furnished regarding (a) transmission line (preliminary works, transmission lines material, taxes and duties); (b) sub-stations (preliminary works & land, civil works, sub-station equipment, spares, taxes and duties); and (c) communication system (preliminary works, communication system equipment, taxes and duties). PLCC forms a part of sub-station equipment (Sl. No 6) under the head

'sub-station equipment' and there is no mention of PLCC under communication system. The Petitioner has also submitted Form-13, wherein the Petitioner has neither mentioned nor claimed Initial Spares towards PLCC. Initial Spares claimed towards PLCC are included in the sub-station. Therefore, we are not inclined to approve Initial Spares separately towards PLCC under "Communication System" head.

56. Accordingly, Initial Spares allowed are as follows:

Sub-station:

Assets	Plant & Machinery Cost up to cut-off date (excluding IDC and IEDC as per Auditor certificate*) (₹ in lakh) (A)	Initial Spares Claimed (₹ in lakh) (B)^	Ceiling Limit (in%) (C)	Allowable Initial Spares worked out D = [(A-B) * C(100-C)]	Excess Initial Spares (₹ in lakh)	Initial Spares allowed (₹ in lakh)	Discharge of Initial Spares			
							As on COD	2020-21	2021-22	2022-23
Asset-I	5698.49	354.13	6.00	341.13	13.00 ^s	341.13	143.94	24.96	170.49	1.74
Asset-II	4319.69	264.89	6.00	258.82	6.07 ^{ss}	258.82	130.96	21.25	93.30	13.31
Asset-III	5256.52	293.58	6.00	316.78	0.00	293.58	23.54	84.98	150.32	34.74

*As per Form 13, #PLCC included.

^sDeducted from add cap of 2022-23, ^{ss}Deducted from add cap of 2022-23

Sub-station (GIS)

Assets	Plant & Machinery Cost up to cut-off date (excluding IDC and IEDC as per Auditor certificate) (₹ in lakh) (A)	Initial Spares Claimed (₹ in lakh)* (B)	Ceiling Limit (in%) (C)	Allowable Initial Spares worked out D = [(A-B) * C(100-C)]	Excess Initial Spares (₹ in lakh)	Initial Spares allowed (₹ in lakh)	Discharge of Initial spares			
							As on COD	2020-21	2021-22	2022-23
Asset-I	27810.92	1744.90	7.00	1961.96	0.00	1744.90	719.72	120.94	840.14	64.10
Asset-II	4227.88	259.34	7.00	298.71	0.00	259.34	127.12	16.49	102.96	12.77
Asset-IV	7598.25	502.30	7.00	534.10	0.00	502.30	23.54	50.96	398.43	29.37
Asset-V	7819.72	518.16	7.00	549.58	0.00	518.16	378.48	4.98	102.97	31.73

*As per Form 13

A Order in Petition No. 673/TT/2020

79

Transmission Line:

Assets	Plant & Machinery Cost up to cut-off date (excluding IDC and IEDC as per Auditor certificate) (₹ in lakh) (A)	Initial Spares Claimed* (₹ in lakh) (B)	Ceiling Limit (in%) (C)	Allowable Initial Spares worked out D = [(A-B) * C(100-C)]	Excess Initial Spares (₹ in lakh)	Initial Spares allowed (₹ in lakh)	Discharge of Initial spares			
							As on COD	2020-21	2021-22	2022-23
Asset-I	1356.04	12.69	1.00	13.57	0.00	12.69	3.89	-	6.25	2.55
Asset-II	1346.97	12.69	1.00	13.48	0.00	12.69	5.89	1.24	4.51	1.05

*As per Form 13

57. The Petitioner has submitted that capital cost as on COD includes the discharged portions of initial spares as on COD and un-discharged portion is shown in ACE in future periods and the same is reflected in the auditor's certificate. Hence, further adjustment in this regard in capital cost is not required.

Capital Cost allowed as on COD

58. Accordingly, capital cost allowed in respect of the transmission assets as on COD is as follows:

Assets	Capital Cost (as on COD as per Auditor's Certificate)	Less: IDC (as on COD)		Less: IEDC disallowed due to time over-run	Capital Cost (as on COD on cash basis)
		IDC disallowed due to time over-run	Un-discharged IDC		
Asset-I	36359.66	2721.56	0.00	121.56	33516.54
Asset-II	7829.99	691.82	0.00	26.59	7111.58
Asset-III	4806.30	411.43	0.00	20.26	4374.61
Asset-IV	7634.22	844.67	0.00	28.05	6761.51
Asset-V	9474.08	1136.39	0.00	46.52	8291.17

Additional Capital Expenditure ("ACE")

59. Regulation 24 and Regulation 25 of the 2019 Tariff Regulations provide as

A

Order in Petition No. 673/TT/2020

80

follows:

"24. Additional Capitalization within the original scope and up to the cut-off date:

(1) The Additional Capital Expenditure in respect of a 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:

(a) Undischarged liabilities recognized to be payable at a future date;

(b) Works deferred for execution;

(c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;

(d) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;

(e) Change in law or compliance of any existing law; and

(f) Force Majeure events:

Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.

(2) The generating company or the transmission licensee, as the case may be shall submit 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."

"25. Additional Capitalisation within the original scope and after the cut-off date:

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

a) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;

b) Change in law or compliance of any existing law;

c) Deferred works relating to ash pond or ash handling system in the original scope of work;

d) Liability for works executed prior to the cut-off date;

e) Force Majeure events;

f) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and g) Raising of ash dyke as a part of ash disposal system.

(2) In case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:

A

81

(a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations.

(b) The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;

(c) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and

(d) The replacement of such asset or equipment has otherwise been allowed by the Commission."

60. The Petitioner has claimed projected ACE for 2019-24 tariff period on account of balance and retention payments due to un-discharged liability projected for works executed within the cut-off date. The Petitioner has claimed projected ACE as per Auditor's Certificate and it is as follows:

(₹ in lakh)

Assets	ACE Claimed as per Auditor's Certificate				Total ACE Claimed
	2020-21	2021-22	2022-23	2023-24	
Asset-I	942.44	4440.13	1110.03	0.00	6492.60
Asset-II	243.69	2915.13	728.78	0.00	3887.60
Asset-III	392.71	730.05	182.51	0.00	1305.27
Asset-IV	200.48	1335.54	381.58	190.79	2108.39
Asset-V	101.71	619.51	177.00	88.50	986.72
Total	1881.03	10040.36	2579.90	279.29	14780.58

61. We have considered the submissions of Petitioner. ACE claimed on account of balance and retention payments is allowed under Regulations 24(1)(a) of the 2019 Tariff Regulations. ACE allowed in respect of the transmission assets is as follows:

(₹ in lakh)

Assets	FR Apportio ned Cost	RCE Apportio ned Cost	Capltal Cost as on 1.4.2019	Admitted ACE				Capital Cost as on 31.3.2024
				2020-21	2021-22	2022-23	2023-24	
Asset-I	36674.95	42852.26	33516.54	942.44	4440.12	1097.03	0.00	39996.13
Asset-II	10291.31	11717.59	7111.58	243.69	2915.12	722.72	0.00	10993.11
Asset-III	7627.76	6111.57	4374.61	392.71	730.04	182.52	0.00	5679.88
Asset-IV	10855.61	9742.61	6761.51	200.48	1335.54	381.58	190.79	8869.90
Asset-V	8437.33	10460.8	8291.17	101.71	619.50	177.00	88.50	9277.89

Debt-Equity Ratio

62. Regulations 18 of the 2019 Tariff Regulations provides as follows:

"18. Debt-Equity Ratio: (1) For new projects, the debt-equity ratio of 70:30 as on date of commercial operation shall be considered. 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.

(2) The generating company or the transmission licensee, as the case may be, shall submit the resolution of the Board of the company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

Provided that in case of a generating station or a transmission system including communication system which has completed its useful life as on or after 1.4.2019, if the equity actually deployed as on 1.4.2019 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

Provided further that in case of projects owned by Damodar Valley Corporation, the debt: equity ratio shall be governed as per sub-clause (ii) of clause (2) of Regulation 72 of these regulations.

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

A

Order in Petition No. 673/TT/2020

83

Page 45 of 76

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, राधिकेश
THDC India Limited, Rishikesh

(5) Any expenditure incurred or projected to be incurred on or after 1.4.2019 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.

(6) Any expenditure incurred for the emission control system during the tariff period as may be admitted by the Commission as additional capital expenditure for determination of supplementary tariff, shall be serviced in the manner specified in clause (1) of this Regulation."

63. The details of debt-equity ratio considered in accordance with Regulation 18 of the 2019 Tariff Regulations for the purpose of computation of tariff of 2019-24 period in respect of the transmission assets is as follows:

Funding Asset-I	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	Total Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	23461.63	70.00	27997.35	70.00
Equity	10054.92	30.00	11998.78	30.00
Total	33516.54	100.00	39996.13	100.00
Funding Asset-II	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	Total Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	4978.11	70.00	7695.18	70.00
Equity	2133.47	30.00	3297.93	30.00
Total	7111.58	100.00	10993.11	100.00
Funding Asset-III	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	Total Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	3062.23	70.00	3976.06	70.00
Equity	1312.38	30.00	1703.82	30.00
Total	4374.61	100.00	5679.88	100.00
Funding Asset-IV	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	Total Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	4733.06	70.00	6208.93	70.00
Equity	2028.45	30.00	2660.96	30.00
Total	6761.51	100.00	8869.90	100.00
Funding Asset-V	Capital Cost as on 1.4.2019 (₹ in lakh)	(in %)	Total Capital Cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	5803.82	70.00	6494.53	70.00
Equity	2487.35	30.00	2783.36	30.00
Total	8291.17	100.00	9277.89	100.00

Depreciation

64. Regulation 33 of the 2019 Tariff Regulations provides as follows:

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(84)

“33. Depreciation: (1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system or element thereof including communication system. 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:

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 a 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 the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

Provided further that in case of hydro generating stations, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station

Provided also 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 unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life or 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-I to these regulations for the Asset-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 asset”

(6) In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the

Commission upto 31.3.2019 from the gross depreciable value of the assets.

(7) The generating company or the transmission licensee, as the case may be, shall submit the details of proposed capital expenditure five years before the completion of useful life of the project along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure.

(8) In case of de-capitalization of assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.

(9) Where the emission control system is implemented within the original scope of the generating station and the date of commercial operation of the generating station or unit thereof and the date of operation of the emission control system are the same, depreciation of the generating station or unit thereof including the emission control system shall be computed in accordance with Clauses (1) to (8) of this Regulation.

(10) Depreciation of the emission control system of an existing or a new generating station or unit thereof where the date of operation of the emission control system is subsequent to the date of commercial operation of the generating station or unit thereof, shall be computed annually from the date of operation of such emission control system based on straight line method, with salvage value of 10%, over a period of-

a) twenty five years, in case the generating station or unit thereof is in operation for fifteen years or less as on the date of operation of the emission control system; or

b) balance useful life of the generating station or unit thereof plus fifteen years, in case the generating station or unit thereof is in operation for more than fifteen years as on the date of operation of the emission control system; or

c) ten years or a period mutually agreed by the generating company and the beneficiaries, whichever is higher, in case the generating station or unit thereof has completed its useful life."

65. We have considered the submissions of the Petitioner. The IT equipment has been considered as part of the Gross Block and depreciated using Weighted Average Rate of Depreciation (WAROD). WAROD at Annexure-I has been worked out after considering the depreciation rates of IT and non-IT assets as prescribed in the 2019 Tariff Regulations. The salvage value of IT equipment has been considered nil, i.e., IT asset has been considered as 100% depreciable. Depreciation has been worked out considering the admitted capital expenditure as on 31.3.2019 and accumulated depreciation up to 31.3.2019. Depreciation allowed in respect of the transmission

Page 48 of 78

A

Order in Petition No. 673/TT/2020

86


मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

assets is as follows:

(₹ in lakh)

Asset - I					
	Particulars	2020-21 (Pro-rata for 349 days)	2021-22	2022-23	2023-24
A	Opening Gross Block	33516.54	34458.98	38899.10	39996.13
B	Addition during the year 2019-24 due to projected ACE	942.44	4440.12	1097.03	0.00
C	Closing Gross Block (A+B)	34458.98	38899.10	39996.13	39996.13
D	Average Gross Block (A+C)/2	33987.76	36679.04	39447.62	39996.13
Y	Freehold land	27.59	27.59	27.59	27.59
E	Average Gross Block (90% depreciable assets)	33886.43	36573.97	39341.51	39889.82
F	Average Gross Block (100% depreciable assets)	73.75	77.49	78.52	78.72
G	Depreciable value (excluding IT equipment and software) (E*90%)	30497.79	32916.57	35407.36	35900.84
H	Depreciable value of IT equipment and software	73.75	77.49	78.52	78.72
I	Total Depreciable Value (G+H)	30571.53	32994.06	35485.88	35979.56
J	Weighted average rate of Depreciation (WAROD) (in %)	5.25	5.23	5.21	5.20
K	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
L	Balance useful life at the beginning of the year (Year)	25.00	24.00	23.00	22.00
M	Depreciation during the year (D*J)	1704.89	1916.74	2053.49	2080.57
N	Aggregate Cumulative Depreciation at the end of the year	1704.89	3621.63	5675.12	7755.69
O	Remaining Aggregate Depreciable Value at the end of the year (I-N)	28866.64	29372.43	29810.75	28223.87

(₹ in lakh)

Asset - II					
	Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
A	Opening Gross Block	7111.58	7355.27	10270.39	10993.11
B	Addition during the year 2019-24 due to projected ACE	243.69	2915.12	722.72	0.00
C	Closing Gross Block (A+B)	7355.27	10270.39	10993.11	10993.11
D	Average Gross Block (A+C)/2	7233.43	8812.83	10631.75	10993.11
Y	Freehold land	5.60	5.60	5.60	5.60
E	Average Gross Block (90% depreciable assets)	7215.74	8792.72	10609.77	10970.75
F	Average Gross Block (100% depreciable assets)	12.04	14.46	16.33	16.71
G	Depreciable value (excluding IT equipment and software) (E*90%)	6494.16	7913.45	9548.79	9873.68

Asset – II					
	Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
H	Depreciable value of IT equipment and software	12.04	14.46	16.33	16.71
I	Total Depreciable Value (G+H)	6506.20	7927.91	9565.12	9890.38
J	Weighted average rate of Depreciation (WAROD) (in %)	5.24	5.24	5.24	5.24
K	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
L	Balance useful life at the beginning of the year (Year)	26.00	25.00	24.00	23.00
M	Depreciation during the year(D*J)	285.65	461.66	556.73	575.61
N	Aggregate Cumulative Depreciation at the end of the year	285.65	747.31	1304.04	1879.65
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	6220.56	7180.60	8261.08	8010.73

(₹ in lakh)

Asset – III					
	Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
A	Opening Gross Block	4374.61	4767.32	5497.36	5679.88
B	Addition during the year 2019-24 due to projected ACE	392.71	730.04	182.52	0.00
C	Closing Gross Block (A+B)	4767.32	5497.36	5679.88	5679.88
D	Average Gross Block (A+C)/2	4570.97	5132.34	5588.62	5679.88
Y	Freehold land	0.00	0.00	0.00	0.00
E	Average Gross Block (90% depreciable assets)	4570.97	5129.63	5582.52	5673.10
F	Average Gross Block (100% depreciable assets)	0.00	2.71	6.10	6.78
G	Depreciable value (excluding IT equipment and software)(E*90%)	4113.87	4616.67	5024.27	5105.79
H	Depreciable value of IT equipment and software	0.00	2.71	6.10	6.78
I	Total Depreciable Value (G+H)	4113.87	4619.38	5030.37	5112.57
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.29	5.29	5.29
K	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
L	Balance useful life at the beginning of the year (Year)	25.00	24.00	23.00	22.00
M	Depreciation during the year(D*J)	181.84	271.25	295.67	300.56
N	Aggregate Cumulative Depreciation at the end of the year	181.84	453.09	748.76	1049.32
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	3932.03	4166.29	4281.61	4063.25

(₹ in lakh)

		Asset – IV			
	Particulars	2020-21 (Pro-rata for 161 days)	2021-22	2022-23	2023-24
A	Opening Gross Block	6761.51	6961.99	8297.53	8679.11
B	Addition during the year 2019-24 due to projected ACE	200.48	1335.54	381.58	190.79
C	Closing Gross Block (A+B)	6961.99	8297.53	8679.11	8869.90
D	Average Gross Block (A+C)/2	6861.75	7629.76	8488.32	8774.50
Y	Freehold land	11.10	11.10	11.10	11.10
E	Average Gross Block (90% depreciable assets)	6841.42	7608.95	8467.35	8753.48
F	Average Gross Block (100% depreciable assets)	9.23	9.70	9.87	9.92
G	Depreciable value (excluding IT equipment and software) (E*90%)	6157.28	6848.06	7620.61	7878.13
H	Depreciable value of IT equipment and software	9.23	9.70	9.87	9.92
I	Total Depreciable Value (G+H)	6166.51	6857.76	7630.48	7888.05
J	Weighted average rate of Depreciation (WAROD) (in %)	5.21	5.20	5.18	5.17
K	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
L	Balance useful life at the beginning of the year (Year)	25.00	24.00	23.00	22.00
M	Depreciation during the year(D*J)	157.81	396.53	439.51	453.84
N	Aggregate Cumulative Depreciation at the end of the year	157.81	554.34	993.85	1447.69
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	6008.69	6303.42	6636.63	6440.37

(₹ in lakh)

		Asset – V			
	Particulars	2020-21 (Pro-rata for 74 days)	2021-22	2022-23	2023-24
A	Opening Gross Block	8291.17	8392.88	9012.38	9189.39
B	Addition during the year 2019-24 due to projected ACE	101.71	619.50	177.01	88.50
C	Closing Gross Block (A+B)	8392.88	9012.38	9189.39	9277.89
D	Average Gross Block (A+C)/2	8342.02	8702.63	9100.88	9233.64
Y	Freehold land	6.55	6.55	6.55	6.55
E	Average Gross Block (90% depreciable assets)	8324.21	8683.97	9081.15	9213.54
F	Average Gross Block (100% depreciable assets)	11.27	12.11	13.19	13.55
G	Depreciable value (excluding IT equipment and software) (E*90%)	7491.78	7815.57	8173.03	8292.19
H	Depreciable value of IT equipment and software	11.27	12.11	13.19	13.55
I	Total Depreciable Value (G+H)	7503.06	7827.69	8186.22	8305.74

Page 51 of 78

A
Order in Petition No. 673/TT/2020

(84)

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

	Particulars	Asset – V			
		2020-21 (Pro-rata for 74 days)	2021-22	2022-23	2023-24
J	Weighted average rate of Depreciation (WAROD) (in %)	5.23%	5.21%	5.18%	5.17%
K	Lapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00	2.00
L	Balance useful life at the beginning of the year (Year)	25.00	24.00	23.00	22.00
M	Depreciation during the year(D*J)	88.46	453.31	471.71	477.84
N	Aggregate Cumulative Depreciation at the end of the year	88.46	541.77	1013.48	1491.32
O	Remaining Aggregate Depreciable Value at the end of the year(I-N)	7414.60	7285.91	7172.74	6814.42

Interest on Loan ("IoL")

66. Regulation 32 of the 2019 Tariff Regulations provides as follows:

"32. Interest on loan capital: (1) The loans arrived at in the manner indicated in Regulation 18 of these regulations shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan.

(3) The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of asset, 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 de-capitalisation 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.

(5a) The rate of interest on loan for installation of emission control system shall be the weighted average rate of interest of actual loan portfolio of the emission control system or in the absence of actual loan portfolio, the weighted average rate of interest of the generating company 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.

(7) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing”.

67. UPPCL has submitted that the Petitioner has not furnished any authenticated documents showing details of allocation of loan among different projects. Since such details are mandatory for prudence of loan and rate of interest (floating or fixed) thereof, the Petitioner should invariably submit such documents duly certified by the Auditor for prudence check.

68. In response, the Petitioner has submitted that as per IA the transmission project is to be implemented through combination of loan from the domestic borrowings/bonds/external commercial (ECB's) borrowings and the Petitioner's internal resources with debt-equity ratio of 70:30. The Petitioner has further submitted that loan deployed in a project are drawn from common pool of loans and further allocated to different elements based on periodic expenditure and availability of loans.

69. We have considered the submissions of the Petitioner and UPPCL. The weighted average rate of IoL has been considered on the basis of the rates prevailing as on COD for respective loans. The Petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true-up. In view of above, IoL has been worked out in accordance with Regulation 32 of the 2019 Tariff Regulations. IoL allowed in respect of the

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91

transmission assets is as follows:

(₹ in lakh)

Asset – I					
	Particulars	2020-21 (Pro-rata for 349 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	23461.63	24121.34	27229.43	27997.35
B	Cumulative Repayments up to Previous Year	0.00	1704.89	3621.63	5675.12
C	Net Loan-Opening (A-B)	23461.63	22416.45	23607.80	22322.23
D	Addition due to ACE	659.72	3108.09	767.92	0.00
E	Repayment during the year	1704.89	1916.74	2053.49	2080.57
F	Net Loan-Closing (C+D-E)	22416.45	23607.80	22322.23	20241.66
G	Average Loan (C+F)/2	22939.04	23012.13	22965.01	21281.94
H	Weighted Average Rate of Interest on Loan (in %)	6.24	6.22	6.18	6.15
I	Interest on Loan (G*H)	1368.89	1430.23	1419.70	1308.84

(₹ in lakh)

Asset – II					
	Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	4978.11	5148.69	7189.27	7695.18
B	Cumulative Repayments up to Previous Year	0.00	285.65	747.31	1304.04
C	Net Loan-Opening (A-B)	4978.11	4863.04	6441.96	6391.14
D	Addition due to ACE	170.58	2040.58	505.90	0.00
E	Repayment during the year	285.65	461.66	556.73	575.61
F	Net Loan-Closing (C+D-E)	4863.04	6441.96	6391.14	5815.52
G	Average Loan (C+F)/2	4920.58	5652.50	6416.55	6103.33
H	Weighted Average Rate of Interest on Loan (in %)	7.22	7.20	7.20	7.19
I	Interest on Loan (G*H)	267.54	407.12	461.72	438.97

(₹ in lakh)

Asset – III					
	Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	3062.23	3337.13	3848.30	3976.06
B	Cumulative Repayments up to Previous Year	0.00	181.84	453.09	748.76
C	Net Loan-Opening (A-B)	3062.23	3155.29	3395.07	3227.16
D	Addition due to ACE	274.90	511.03	127.76	0.00
E	Repayment during the year	181.84	271.25	295.67	300.56
F	Net Loan-Closing (C+D-E)	3155.29	3395.07	3227.16	2926.60

Page 54 of 78

A

Order in Petition No. 673/TT/2020

92

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

Asset – III					
	Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
G	Average Loan (C+F)/2	3108.76	3275.18	3311.12	3076.88
H	Weighted Average Rate of Interest on Loan (in %)	7.16	7.11	7.10	7.09
I	Interest on Loan (G*H)	167.70	232.76	235.00	218.10

(₹ in lakh)

Asset – IV					
	Particulars	2020-21 (Pro-rata for 161 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	4733.06	4873.39	5808.27	6075.38
B	Cumulative Repayments up to Previous Year	0.00	157.81	554.34	993.85
C	Net Loan-Opening (A-B)	4733.06	4715.58	5253.93	5081.53
D	Addition due to ACE	140.34	934.88	267.11	133.55
E	Repayment during the year	157.81	396.53	439.51	453.84
F	Net Loan-Closing (C+D-E)	4715.58	5253.93	5081.53	4761.25
G	Average Loan (C+F)/2	4724.32	4984.75	5167.73	4921.39
H	Weighted Average Rate of Interest on Loan (in %)	6.85	6.83	6.83	6.89
I	Interest on Loan (G*H)	142.70	340.55	352.98	338.89

(₹ in lakh)

Asset – V					
	Particulars	2020-21 (Pro-rata for 74 days)	2021-22	2022-23	2023-24
A	Gross Normative Loan	5803.82	5875.02	6308.67	6432.58
B	Cumulative Repayments up to Previous Year	0.00	88.46	541.77	1013.48
C	Net Loan-Opening (A-B)	5803.82	5786.56	5766.89	5419.10
D	Addition due to ACE	71.20	433.65	123.91	61.95
E	Repayment during the year	88.46	453.31	471.71	477.84
F	Net Loan-Closing (C+D-E)	5786.56	5766.89	5419.10	5003.21
G	Average Loan (C+F)/2	5795.19	5776.73	5593.00	5211.15
H	Weighted Average Rate of Interest on Loan (in %)	6.81	6.79	6.79	6.80
I	Interest on Loan (G*H)	79.98	392.49	379.81	354.58

Return on Equity ("RoE")

70. Regulation 30 and Regulation 31 of the 2019 Tariff Regulations provide as follows:

A

Order in Petition No. 673/TT/2020

93

Page 55 of 78

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

“30. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulation 18 of these regulations.

(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of-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 return on equity in respect of additional capitalization after cut off date beyond the original scope, excluding additional capitalization on account of emission control system, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system or in the absence of actual loan portfolio of the generating station or the transmission system, the weighted average rate of interest of the generating company or the transmission licensee, as the case may be, as a whole shall be considered, subject to ceiling of 14%.

Provided further that:

i. In case of a new project, the rate of return on equity shall be reduced by 1.00% 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) or Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;

ii. in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;

iii. in case of a thermal generating station, with effect from 1.4.2020:

- a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;*
- b) an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%;*

Provided that the detailed guidelines in this regard shall be issued by National Load Dispatch Centre by 30.6.2019.

(3) The return on equity in respect of additional capitalization on account of emission control system shall be computed at the base rate of one year marginal cost of lending rate (MCLR) of the State Bank of India as on 1st April of the year in which the date of operation (ODe) occurs plus 350 basis point, subject to ceiling of 14%;

“31. Tax on Return on Equity:(1) The base rate of return on equity as allowed by the Commission under Regulation 30 of these regulations 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 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 paid on income from other businesses including deferred tax liability (i.e. income from business other than business of generation or transmission, as the case may be) shall be excluded 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.

Illustration-

(i) In case of a generating company or a transmission licensee paying Minimum Alternate Tax (MAT) @ 21.55% including surcharge and cess:

$$\text{Rate of return on equity} = 15.50 / (1 - 0.2155) = 19.758\%$$

(ii) In case of a generating company or a transmission licensee paying normal corporate tax including surcharge and cess:

(a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;

(b) Estimated Advance Tax for the year on above is Rs 240 crore;

(c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore / Rs 1000 Crore = 24%;

(d) Rate of return on equity = $15.50 / (1 - 0.24) = 20.395\%$.

(3) The generating company or the transmission licensee, as the case may be, shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term customers, as the case may be, on year to year basis."

71. The Petitioner has submitted that MAT rate is applicable to it. MAT rate applicable in the year 2019-20 has been considered for the purpose of RoE which shall be trued-up with actual tax rate in accordance with Regulation 31(3) of the 2019

Tariff Regulations. RoE allowed in respect of the transmission assets is as follows:

(₹ in lakh)

		Asset – I			
	Particulars	2020-21 (Pro-rata for 349 days)	2021-22	2022-23	2023-24
A	Opening Equity	10054.92	10337.64	11669.67	11998.78
B	Addition due to ACE	282.72	1332.03	329.11	0.00
C	Closing Equity (A+B)	10337.64	11669.67	11998.78	11998.78
D	Average Equity (A+C)/2	10196.28	11003.66	11834.23	11998.78
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in%)	17.472	17.472	17.472	17.472
G	Applicable RoE Rate (in%)	18.782	18.782	18.782	18.782
H	Return on Equity for the year (D*G)	1831.12	2066.71	2222.70	2253.61

(₹ in lakh)

		Asset – II			
	Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
A	Opening Equity	2133.47	2206.58	3081.12	3297.93
B	Addition due to ACE	73.11	874.54	216.82	0.00
C	Closing Equity (A+B)	2206.58	3081.12	3297.93	3297.93
D	Average Equity (A+C)/2	2170.03	2643.85	3189.53	3297.93
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472
G	Applicable RoE Rate (in %)	18.782	18.782	18.782	18.782
H	Return on Equity for the year (D*G)	307.08	496.57	599.06	619.42

(₹ in lakh)

		Asset – III			
	Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
A	Opening Equity	1312.38	1430.19	1649.06	1703.82
B	Addition due to ACE	117.81	218.87	54.76	0.00
C	Closing Equity (A+B)	1430.19	1649.06	1703.82	1703.82
D	Average Equity (A+C)/2	1371.29	1539.63	1676.44	1703.82
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472
G	Applicable RoE Rate (in %)	18.782	18.782	18.782	18.782
H	Return on Equity for the year (D*G)	194.05	289.19	314.90	320.04

(₹ in lakh)

Asset – IV					
	Particulars	2020-21 (Pro-rata for 161 days)	2021-22	2022-23	2023-24
A	Opening Equity	2028.45	2088.59	2489.25	2603.72
B	Addition due to ACE	60.14	400.66	114.47	57.24
C	Closing Equity (A+B)	2088.59	2489.25	2603.72	2660.96
D	Average Equity (A+C)/2	2058.52	2288.92	2546.49	2632.34
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472
G	Applicable RoE Rate (in %)	18.782	18.782	18.782	18.782
H	Return on Equity for the year (D*G)	170.54	429.91	478.28	494.41

(₹ in lakh)

Asset – V					
	Particulars	2020-21 (Pro-rata for 74 days)	2021-22	2022-23	2023-24
A	Opening Equity	2487.35	2517.86	2703.71	2756.81
B	Addition due to ACE	30.51	185.85	53.10	26.55
C	Closing Equity (A+B)	2517.86	2703.71	2756.81	2783.36
D	Average Equity (A+C)/2	2502.61	2610.79	2730.26	2770.08
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472	17.472
G	Applicable RoE Rate (in %)	18.782	18.782	18.782	18.782
H	Return on Equity for the year (D*G)	95.30	490.36	512.80	520.28

Operation & Maintenance Expenses ("O&M Expenses")

72. O&M Expenses in respect of the transmission assets claimed for the 2019-24 tariff period by the Petitioner are as follows:

Assets	2019-20	2020-21	2021-22	2022-23	2023-24
Asset-I	0.00	6801.94	7471.40	7804.61	7798.06
Asset-II	0.00	1015.80	1584.11	1840.79	1858.31
Asset-III	0.00	1259.35	1778.75	1863.23	1887.31
Asset-IV	0.00	556.45	1366.98	1472.93	1485.80
Asset-V	0.00	98.59	503.48	521.59	539.79

73. Regulation 35(3)(a) and Regulation 35(4) of the 2019 Tariff Regulations provide as follows:

"35 (3) Transmission system: (a) The following normative operation and maintenance expenses shall be admissible for the combined transmission system:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)	1,666	1,725	1,785	1,848	1,913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)	2,252	2,331	2,413	2,498	2,586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)	2,468	2,555	2,645	2,738	2,834

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)	1,696	1,756	1,817	1,881	1,947
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)	2,563	2,653	2,746	2,842	2,942

Provided that the O&M expenses for the GIS bays shall be allowed as worked out by multiplying 0.70 of the O&M expenses of the normative O&M expenses for bays;

Provided further that:

- i. the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;
 - ii. the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;
 - iii. the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);
 - iv. the O&M expenses of ±800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme;
 - v. the O&M expenses of ±800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme; and
 - vi. the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three years.
- (b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of sub-station bays, transformer capacity of the transformer (in MVA) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA and per km respectively.
- (c) The Security Expenses and Capital Spares for transmission system shall be allowed separately after prudence check:

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification.

(4) *Communication system: The operation and maintenance expenses for the communication system shall be worked out at 2.0% of the original project cost related to such communication system. The transmission licensee shall submit the actual operation and maintenance expenses for truing up.*"

74. O&M Expenses for the 2019-24 tariff period allowed in respect of the transmission assets are as follows:

(₹ in lakh)				
Asset – I				
Particulars	2020-21 (Pro-rata for 349 days)	2021-22	2022-23	2023-24
Transmission Line:				
Tehri PS-Meerut 765 kV S/C line	0.485	0.485	0.485	0.485
Tehri PS-Meerut 765 kV S/C line	0.554	0.554	0.554	0.554
Norm (₹ lakh/km)				
S/C (Four or more sub-conductors)	0.781	0.809	0.837	0.867
Total Transmission O&M Expenses	0.81	0.84	0.87	0.90
Sub-station Bays:				
Koteshwar: 765 kV Meerut GIS Line Bay	1	1	1	1
Meerut: 765 kV Tehri Line Bay	1	1	1	1
Koteshwar: 2 Numbers of 400 kV GIS Tehri ICT Bays	2	2	2	2
Koteshwar: 3 Numbers of 765 kV GIS Tehri ICT Bays	3	3	3	3
Norm (₹ lakh/bay)				
400 kV GIS*	23.30	24.12	24.96	25.84
765 kV	46.60	48.23	49.93	51.68
765 kV GIS*	32.62	33.76	34.95	36.18
Total Sub-station O&M Expenses	223.67	231.50	239.66	248.06
Transformer:				
Koteshwar: 3 Numbers of 800 MVA Tehri ICTs	2400	2400	2400	2400
Norm (₹ lakh/ MVA)				
765 kV	0.51	0.53	0.55	0.56
Total Transformer Expenses	1219.20	1262.40	1308.00	1353.60
Total O&M Expenses	1380.40	1494.74	1548.53	1602.56

* O&M expenses for the GIS bays shall be allowed by multiplying 0.70 of the O&M Expenses of the normative O&M expenses for bays.

(₹ in lakh)				
Asset – II				
Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
Transmission Line:				
Tehri PS-Meerut 765 kV S/C line	0.969	0.969	0.969	0.969

Page 62 of 78

A Order in Petition No. 673/TT/2020

100


मुकेश कुमार वर्मा / M.K. VERMA
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
 THDC India Limited, Rishikesh

Tehri PS-Meerut 765 kV S/C line	1.108	1.108	1.108	1.108
Norm (₹ lakh/km)				
S/C (Four or more sub-conductors)	0.781	0.809	0.837	0.867
Total Transmission Expenses	1.62	1.68	1.74	1.80
Sub-station Bays:				
Koteshwar: 765 kV GIS Meerut Line Bay	1	1	1	1
Meerut: 765 kV Tehri PSP Line Bay	1	1	1	1
Norm (₹ lakh/bay)				
765 kV	46.60	48.23	49.93	51.68
765 kV GIS*	32.62	33.76	34.95	36.18
Total Sub-station Expenses	79.22	81.99	84.88	87.86
Total O&M Expenses (₹ in lakh)	60.91	83.67	86.62	89.66

* O&M expenses for the GIS bays shall be allowed by multiplying 0.70 of the O&M Expenses of the normative O&M expenses for bays.

(₹ in lakh)				
Particulars	Asset – III			
	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
Sub-station Bays:				
Meerut: 765 kV ICT Bays at Meerut Sub-station	1	1	1	1
Meerut: 400 kV ICT Bay at Meerut Sub-station	1	1	1	1
Norm (₹ lakh/bay)				
765 kV	46.60	48.23	49.93	51.68
400 kV	33.28	34.45	35.66	36.91
Total Sub-station Expenses	79.88	82.68	85.59	88.59
Transformers:				
Meerut: 1500 MVA ICT at Meerut Sub-station	1500	1500	1500	1500
Norm (₹ lakh/ MVA)				
765 kV GIS*	0.51	0.53	0.55	0.56
Total Transformer Expenses	762.00	789.00	817.50	846.00
Total O&M Expenses (₹ in lakh)	634.29	871.68	903.09	934.59

* O&M expenses for the GIS bays shall be allowed by multiplying 0.70 of the O&M Expenses of the normative O&M expenses for bays.

(₹ in lakh)				
Particulars	Asset – IV			
	2020-21 (Pro-rata for 161 days)	2021-22	2022-23	2023-24
Sub-station Bays:				
Koteshwar: 240 MVAR Bus Reactor Bay	1	1	1	1
Norm (₹ lakh/bay)				
765 kV	46.60	48.23	49.93	51.68
Total Sub-station Expenses	46.60	48.23	49.93	51.68
Total O&M Expenses (₹ in lakh)	20.56	48.23	49.93	51.68

Particulars	Asset – V			
	2020-21 (Pro-rata for 74 days)	2021-22	2022-23	2023-24
Sub-station Bays:				
Koteshwar: 765 kV ICT Bay	1	1	1	1
Koteshwar: 400 kV ICT Bays	1	1	1	1
Norm (₹ lakh/bay)				
765 kV	46.60	48.23	49.93	51.68
400 kV	33.28	34.45	35.66	36.91
Total Sub-station Expenses	79.88	82.68	85.59	88.59
Transformers:				
Koteshwar: 800 MVAT ICT	800	800	800	800
Norm (₹ lakh/bay)				
765 kV GIS*	0.51	0.53	0.55	0.56
Total Transformer Expenses	406.40	420.80	436.00	451.20
Total O&M Expenses (₹ in lakh)	98.59	503.48	521.59	539.79

* O&M expenses for the GIS bays shall be allowed by multiplying 0.70 of the O&M Expenses of the normative O&M expenses for bays.

Interest on Working Capital ("IWC")

75. Regulations 34(1)(c), Regulation 34(3) and Regulation 34(4) and Regulation 3(7) of the 2019 Tariff Regulations provide as follows:

"34. Interest on Working Capital: (1) The working capital shall cover:

.....

(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:

(i) Receivables equivalent to 45 days of annual fixed cost;

(ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and

(iii) Operation and maintenance expenses, including security 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 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 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:

A

Order in Petition No. 673/TT/2020

(102)

Provided that in case of truing-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.

(4) Interest on working capital shall be payable on normative basis notwithstanding that the generating company or the transmission licensee has not taken loan for working capital from any outside agency."

"3. Definition - In these regulations, unless the context otherwise requires:-

(7) 'Bank Rate' means the one year marginal cost of lending rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points."

76. The Petitioner has submitted that it has computed IWC for 2019-24 period considering the SBI Base Rate plus 350 basis points as on 1.4.2019. The Petitioner has considered the rate of IWC as 12.05%. However, IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The rate of IWC considered is 11.25% (SBI 1 year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for 2020-21, 10.50% (SBI 1 year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for 2021-22, 2022-23 and 2023-24. The components of the working capital and interest allowed thereon is as follows:

(₹ in lakh)				
Particulars	Asset – I			
	2020-21 (Pro-rata for 349 days)	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M expenses for one month)	120.31	124.56	129.04	133.55
Working Capital for Maintenance Spares (15% of O&M expenses)	216.55	224.21	232.28	240.38
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	826.56	867.47	909.60	907.39
Total Working Capital	1163.42	1216.24	1270.92	1281.32
Rate of Interest for working capital (in %)	11.25	10.50	10.50	10.50
Interest of working capital	125.15	127.71	133.45	134.54

(₹ in lakh)

Asset – II				
Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M expenses for one month)	6.74	6.97	7.22	7.47
Working Capital for Maintenance Spares (15% of O&M expenses)	12.13	12.55	12.99	13.45
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	153.12	181.25	213.12	214.97
Total Working Capital	171.99	200.77	233.33	235.89
Rate of Interest for working capital (in %)	11.25	10.50	10.50	10.50
Interest of working capital	14.58	21.08	24.50	24.77

(₹ in lakh)

Asset – III				
Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M expenses for one month)	70.16	72.64	75.26	77.88
Working Capital for Maintenance Spares (15% of O&M expenses)	126.28	130.75	135.46	140.19
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	198.22	210.62	221.18	223.73
Total Working Capital	394.66	414.01	431.90	441.80
Rate of interest for working capital (in %)	11.25	10.50	10.50	10.50
Interest of working capital	33.45	43.47	45.35	46.39

(₹ in lakh)

Asset – IV				
Particulars	2020-21 (Pro-rata for 161 days)	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M expenses for one month)	3.88	4.02	4.16	4.31
Working Capital for Maintenance Spares (15% of O&M expenses)	6.99	7.23	7.49	7.75
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	139.49	151.93	165.11	166.92

Page 66 of 78

A

Order in Petition No. 673/TT/2020

104

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

Total Working Capital	150.36	163.19	176.76	178.98
Rate of Interest for working capital (in %)	11.25	10.50	10.50	10.50
Interest of working capital	7.46	17.13	18.56	18.79

(₹ in lakh)

Particulars	Asset – V			
	2020-21 (Pro-rata for 74 days)	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M expenses for one month)	40.52	41.96	43.47	44.98
Working Capital for Maintenance Spares (15% of O&M expenses)	72.94	75.52	78.24	80.97
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	225.03	231.32	237.15	237.37
Total Working Capital	338.50	348.80	358.86	363.32
Rate of Interest for working capital (in %)	11.25	10.50	10.50	10.50
Interest of working capital	7.72	36.62	37.68	38.15

Annual Fixed Charges for 2019-24 Tariff Period

77. The transmission charges allowed in respect of the transmission assets for 2019-24 tariff period are as follows:

(₹ in lakh)

Particulars	Asset – I			
	2020-21 (Pro-rata for 349 days)	2021-22	2022-23	2023-24
Depreciation	1704.89	1916.74	2053.49	2080.57
Interest on Loan	1368.89	1430.23	1419.70	1308.84
Return on Equity	1831.12	2066.71	2222.70	2253.61
O&M Expenses	1380.40	1494.74	1548.53	1602.56
Interest on Working Capital	125.15	127.71	133.45	134.54
Total	6410.44	7036.13	7377.87	7380.12

(₹ in lakh)

Particulars	Asset – II			
	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
Depreciation	285.65	461.66	556.73	575.61
Interest on Loan	267.54	407.12	461.72	438.97
Return on Equity	307.08	496.57	599.06	619.42
O&M Expenses	60.91	83.67	86.62	89.66
Interest on Working Capital	14.58	21.08	24.50	24.77
Total	935.76	1470.10	1728.63	1748.43

Page 67 of 78

A. Order in Petition No. 673/TT/2020

105

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वणिज्यिक)
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THDC India Limited, Rishikesh

(₹ in lakh)

Asset – III				
Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
Depreciation	181.84	271.25	295.67	300.56
Interest on Loan	167.70	232.76	235.01	218.11
Return on Equity	194.05	289.17	314.87	320.01
O&M Expenses	634.29	871.68	903.09	934.59
Interest on Working Capital	33.45	43.47	45.35	46.39
Total	1211.33	1708.35	1794.01	1819.68

(₹ in lakh)

Asset – IV				
Particulars	2020-21 (Pro-rata for 161 days)	2021-22	2022-23	2023-24
Depreciation	157.81	396.53	439.51	453.84
Interest on Loan	142.70	340.55	352.98	338.89
Return on Equity	170.54	429.91	478.28	494.41
O&M Expenses	20.56	48.23	49.93	51.68
Interest on Working Capital	7.46	17.13	18.56	18.79
Total	499.07	1232.35	1339.26	1357.61

(₹ in lakh)

Asset – V				
Particulars	2020-21 (Pro-rata for 74 days)	2021-22	2022-23	2023-24
Depreciation	88.46	453.31	471.71	477.84
Interest on Loan	79.98	392.49	379.81	354.58
Return on Equity	95.30	490.36	512.80	520.28
O&M Expenses	98.59	503.48	521.59	539.79
Interest on Working Capital	7.72	36.62	37.68	38.15
Total	370.05	1876.26	1923.59	1930.64

Filing Fee and Publication Expenses

78. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. 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 Regulation 70(1) of the 2019 Tariff Regulations.

A

Order in Petition No. 673/TT/2020

106

Page 68 of 78

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
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टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

Licence Fee and RLDC Fees and Charges

79. The Petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for 2019-24 tariff period. The Petitioner shall also be entitled for recovery of RLDC fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for 2019-24 tariff period.

Goods and Services Tax

80. The Petitioner has submitted that if GST is levied at any rate and at any point of time in future on charges of transmission of electricity, the same shall be borne and additionally paid by the Respondent(s) to the Petitioner and the same shall be charged and billed separately by the Petitioner. Further additional taxes, if any, are to be paid by the Petitioner on account of demand from Government/Statutory Authorities, the same may be allowed to be recovered from the beneficiaries.

81. We have considered the submissions of the Petitioner. Since GST is not levied on transmission service at present, we are of the view that Petitioner's prayer is premature.

Security Expenses

82. The Petitioner has submitted that security expenses in respect of transmission assets is not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and consequential IWC.

83. UPPCL has submitted that the Commission may not allow any ad-hoc expenditure on account of security expenses by escalating the actual of 2018-19 by 3.5% p.a. as the same is against the stipulation of the Regulation 35(3)(c) of 2019 Tariff Regulation and outside the ambit of the instant petition as well. In response, the

Petitioner has reiterated its submission.

84. We have considered the above submissions of the Petitioner and UPPCL. The Petitioner has claimed consolidated security expenses for all the transmission assets owned by it on projected basis for 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The said petition has already been disposed of by the Commission vide order dated 3.8.2021 and the Commission has approved security expenses from 1.4.2019 to 31.3.2024. Therefore, security expenses will be shared in terms of the order dated 3.8.2021 in Petition No. 260/MP/2020. Therefore, the Petitioner's prayer in the instant petition for allowing it to file a separate petition for claiming the overall security expenses and consequential IWC has become infructuous.

Capital Spares

85. The Petitioner has sought reimbursement of capital spares at the end of tariff period. The Petitioner's claim, if any, shall be dealt with in accordance with the provisions of the 2019 Tariff Regulations.

Sharing of Transmission Charges

86. The Petitioner has prayed that the transmission charges for 2019-24 period may be allowed to be recovered on monthly basis in accordance with Regulation 57 of the 2019 Tariff Regulations and may be shared by the Respondents in accordance with 2010 Sharing Regulations.

87. THDC has submitted that as per Ministry of Power vide order dated 21.6.2021, THDC is exempted from the payment of applicable transmission charges for delayed generation period. THDC has further submitted that as per clause 4 of the

A

108

implementation agreement read with clause 14 of the TSA, THDC is not be liable for any claim including payment of transmission charges on account of delay in commissioning of Tehri PSP.

88. In response, the Petitioner has submitted that Asset-I, Asset-II, Asset-IV and Asset-VI have been de-linked from the generation project and agreed to be utilised for System strengthening. The Petitioner further clarified that Asset-III and Asset-V remain linked to Tehri PSP. The Petitioner has further submitted that waiver of transmission charges is not applicable in the instant case.

89. We have considered the submissions of the Petitioner and THDC. As discussed above, Asset-I, Asset-II, Asset- IV and Asset-VI are part of system strengthening and Asset-III and Asset-V are generation linked. It is observed that the Petitioner and THDC signed Indemnification Agreement dated 23.9.2014. The Indemnification Agreement provides as follows:

"In the event of 1st unit of generating station is not commissioned (COD) by 03.11.2017 (zero date) i.e., scheduled commissioning date of the Associated Transmission System (ATS), the Generation Company shall bear the IDC or the transmission charges if the transmission system is declared under commercial operation by the CERC in accordance with the Clause 3 of Regulation 4 of Tariff Regulations, 2014, till the Generating station is Commissioned (COD)."

90. Accordingly, transmission charges in respect of Asset-I, Asset-II and Asset-IV shall be recovered through PoC mechanism as provided in Sharing Regulations. As regards, Asset-III and Asset-V, which are linked to generation of Tehri PSP, THDC has contend that as per MoP order dated 21.6.2021, THDC is not liable to pay transmission charges. We are of the view that THDC is eligible for waiver of transmission charges only when the generation under the control of Tehri PSP has been commissioned. In the instant case, the generation under the control of Tehri PSP

has not been commissioned yet. Accordingly, transmission charges of Asset-III and Asset-V from COD till commissioning of the generation units shall be borne by THDC.

91. With effect from 1.7.2011, sharing of transmission charges for inter-State transmission systems was governed by the 2010 Sharing Regulations and with effect from 1.11.2020 (after repeal of the 2010 Sharing Regulations), sharing of transmission charges is governed by the 2020 Sharing Regulations. The Billing, collection and disbursement of the transmission charges shall be recovered in terms of provisions of the 2010 Sharing Regulations and 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

92. To summarise,

(a) AFC allowed in respect of the transmission assets for 2019-24 tariff period in the instant order are as follows:

(₹ in lakh)

Asset – I				
Particulars	2020-21 (Pro-rata for 349 days)	2021-22	2022-23	2023-24
AFC	6410.44	7036.13	7377.87	7380.12

(₹ in lakh)

Asset – II				
Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
AFC	935.76	1470.10	1728.63	1748.43

(₹ in lakh)

Asset – III				
Particulars	2020-21 (Pro-rata for 275 days)	2021-22	2022-23	2023-24
AFC	1211.33	1708.35	1794.01	1819.68

Page 72 of 78

A Order in Petition No. 673/TT/2020

110


मुकेश कुमार वर्मा / M.K. VERMA
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
 THDC India Limited, Rishikesh

(₹ in lakh)

Asset – IV				
Particulars	2020-21 (Pro-rata for 161 days)	2021-22	2022-23	2023-24
AFC	499.07	1232.35	1339.26	1357.61

(₹ in lakh)

Asset – V				
Particulars	2020-21 (Pro-rata for 74 days)	2021-22	2022-23	2023-24
AFC	370.05	1876.26	1923.59	1930.64

93. Annexure-I, II, III, IV and V given hereinafter form part of the order.

94. This order disposes of Petition No. 673/TT/2020 in terms of the above discussions and findings.

sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member

111

CERC Website S. No. 433/2022

Page 73 of 78

A Order in Petition No. 673/TT/2020

मुकेश कुमार वर्मा / M.K. VERMA
अपस महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

Petition No.:	673/TT/2020
Period	2019-24 Tariff

Asset – I

Annexure – I

2019-24 Capital Expenditure as on 1.4.2019	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	ACE			Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Deprecia tion (in %)	Annual Depreciation as per Regulations				
		2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)			2019-20 (₹ in lakh)	2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Land	27.59	0.00	0.00	0.00	27.59	0.00	-	-	-	-	-
Building	884.40	120.86	792.10	198.03	1995.39	3.34	-	31.56	46.80	63.34	66.65
Transmission Line	477.12	16.23	712.12	178.03	1383.50	5.28	-	25.62	44.85	68.35	73.05
Sub Station	31953.15	794.14	2923.30	717.82	36388.41	5.28	-	1708.09	1806.23	1902.36	1921.31
PLCC	103.45	5.38	10.95	2.74	122.52	6.33	-	6.72	7.24	7.67	7.76
IT Equipment and software	70.83	5.83	1.65	0.41	78.72	15.00	-	11.06	11.62	11.78	11.81
TOTAL	33516.54	942.44	4440.12	1097.03	39996.13		-	1783.05	1916.74	2053.49	2080.57
					Average Gross Block (₹ in lakh)		-	33987.76	36679.04	39447.62	39996.13
					Weighted Average Rate of Depreciation (in %)		-	5.25	5.23	5.21	5.20

A

Order in Petition No. 673/TT/2020

112


मुकेश कुमार वर्मा / M.K. VERMA
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
 THDC India Limited, Rishikesh

Page 74 of 78

Petition No.:	673/TT/2020
Period	2019-24 Tariff

Asset – II

Annexure – II

2019-24 Capital Expenditure as on 1.4.2019	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	ACE			Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Deprecia tion (in %)	Annual Depreciation as per Regulations				
		2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)			2019-20 (₹ in lakh)	2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Land	5.65	0.00	0.00	0.00	5.65	0.00	-	-	-	-	-
Building	226.67	19.91	99.44	24.86	370.88	3.34	-	7.90	9.90	11.97	12.39
Transmission Line	479.05	21.01	698.34	174.59	1,372.99	5.28	-	25.85	44.84	67.88	72.49
Sub Station	6303.11	196.68	2106.73	520.61	9127.13	5.28	-	338.00	398.81	468.17	481.91
PLCC	85.98	4.24	7.62	1.91	99.75	6.33	-	5.58	5.95	6.25	6.31
IT Equipment and software	11.12	1.85	2.99	0.75	16.71	15.00	-	1.81	2.17	2.45	2.51
TOTAL	7111.58	243.69	2915.12	722.72	10993.11		-	379.13	461.66	556.73	575.61
					Average Gross Block (₹ in lakh)		-	7233.43	8812.83	10631.75	10993.11
					Weighted Average Rate of Depreciation (in %)		-	5.24	5.24	5.24	5.24

A

Order in Petition No. 673/TT/2020

113



मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

Petition No.:	673/TT/2020
Period	2019-24 Tariff

Asset – III

Annexure – III

2019-24 Capital Expenditure as on 1.4.2019	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	ACE			Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Deprecia tion (in %)	Annual Depreciation as per Regulations				
		2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)			2019-20 (₹ in lakh)	2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Sub Station	4374.61	392.71	724.62	181.16	5673.10	5.28	-	241.35	270.84	294.76	299.54
IT Equipment and software	0.00	0.00	5.42	1.36	6.78	15.00	-	0.00	0.41	0.92	1.02
TOTAL	4374.61	392.71	730.04	182.52	5679.88		-	241.35	271.25	295.67	300.56
Average Gross Block (₹ in lakh)							-	4570.97	5132.34	5588.62	5679.88
Weighted Average Rate of Depreciation (in %)							-	5.28	5.29	5.29	5.29



Order in Petition No. 673/TT/2020

114

मुकेश कुमार वर्मा / M.K. VERMA
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
 THDC India Limited, Rishikesh

Petition No.:	673/TT/2020
Period	2019-24 Tariff

Asset – IV

Annexure – IV

2019-24 Capital Expenditure as on 1.4.2019	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	ACE				Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depre- ciatio n (in %)	Annual Depreciation as per Regulations				
		2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2019-20 (₹ in lakh)	2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Land	11.10	0.00	0.00	0.00	0.00	11.10	0.00	-	-	-	-	-
Building	249.40	0.00	189.77	54.22	27.11	520.50	3.34	-	8.33	11.50	15.57	16.93
Sub Station	6492.12	199.79	1145.51	327.29	163.64	8328.35	5.28	-	348.06	383.57	422.46	435.42
IT Equipment and software	8.88	0.69	0.26	0.07	0.04	9.94	15.00	-	1.38	1.46	1.48	1.49
TOTAL	6761.51	200.48	1335.54	381.58	190.79	8869.90		-	357.77	396.53	439.51	453.84
						Average Gross Block (₹ in lakh)		-	6861.75	7629.76	8488.32	8774.50
						Weighted Average Rate of Depreciation (in %)		-	5.21	5.20	5.18	5.17

A

Order in Petition No. 673/TT/2020

115


मुकेश कुमार वर्मा / M.K. VERMA
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
 THDC India Limited, Rishikesh

Petition No.:	673/TT/2020
Period	2019-24 Tariff

Asset – V

Annexure – V

2019-24 Capital Expenditure as on 1.4.2019	Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	ACE				Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depre- ciatio n (in %)	Annual Depreciation as per Regulations				
		2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2019-20 (₹ in lakh)	2020-21 (₹ in lakh)	2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Land	6.55	0.00	0.00	0.00	0.00	6.55	0.00	-	-	-	-	-
Building	251.81	0.00	219.64	62.76	31.38	565.59	3.34	-	8.41	12.08	16.79	18.37
Sub Station	8021.54	101.71	398.18	113.77	56.88	8692.08	5.28	-	426.22	439.42	452.93	457.44
IT Equipment and software	11.27	0.00	1.68	0.48	0.24	13.67	15.00	-	1.69	1.82	1.98	2.03
TOTAL	8291.17	101.71	619.50	177.01	88.50	9277.89		-	436.32	453.31	471.71	477.84
						Average Gross Block (₹ in lakh)		-	8342.02	8702.63	9100.88	9233.64
						Weighted Average Rate of Depreciation (in %)		-	5.23	5.21	5.18	5.17

A

Order in Petition No. 673/TT/2020

116


मुकेश कुमार वर्मा / M.K. VERMA
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
 THDC India Limited, Rishikesh

Page 78 of 78

No.23/12/2016-R&R-Part (1) [239444]

Government of India
Ministry of Power

Shram Shakti Bhawan, New Delhi,
Dated, the 21st June, 2021ORDER

Subject: Waiver of inter-state transmission charges on transmission of the electricity generated from solar and wind sources of energy- Amendment thereof.

1.0 This is in continuation to the Ministry of Power Order No 23/12/2016-R&R dated 15.01.2021 regarding the waiver of inter-state transmission system (ISTS) charges on transmission of the electricity generated from solar and wind sources of energy.

2.0 I am directed to convey the following decisions with respect to the waiver of such Inter-State Transmission system (ISTS) charges:

- a. Extension of the waiver of Inter-State Transmission system (ISTS) charges on transmission of electricity generated from solar and wind sources for projects to be commissioned up to 30th June 2025.
- b. Waiver of total Inter- State transmission system (ISTS) charges shall also be allowed for Hydro Pumped Storage Plant (PSP) and Battery Energy Storage System (BESS) projects to be commissioned up 30th June 2025, if following conditions are met.
 - i. at least 70 % of the annual electricity requirement for pumping of water in the Hydro Pumped Storage Plant is met by use of electricity generated from solar and/or wind power plants.
 - ii. at least 70 % of the annual electricity requirement for charging of the Battery Energy Storage System is met by use of electricity generated from solar and/or wind power plants.
- c. The Inter- State transmission charges for power generated / supplied from such Hydro PSP and such BESS shall be levied gradually: 25% of the STOA charges for initial 5 years of operation, then charges can be gradually increased in steps of 25 % after every 3rd year to reach to 100 % of STOA charges from 12th year onwards. This may be aligned with the gradual reduction in tariff and payment of debt.
- d. Waiver of transmission charges shall be allowed for trading of electricity generated/ supplied from Solar, wind, PSP and BESS in Green Term Ahead Market (GTAM) and Green Day Ahead Market (GDAM) for two years ie till 30th June 2023. This arrangement will be reviewed on annual basis depending upon the future development in the power market.

3.0 It is also clarified that waiver is allowed for inter-state transmission charges only and not losses

117

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
थर्मो इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

4.0 As per section 2 (36) of the Electricity Act, 2003,

"inter- State transmission system" means

(i) any system for the conveyance of electricity by means of main transmission line from the territory of one State to another State;

(ii) the conveyance of electricity across the territory of an intervening State as well as conveyance within the State which is incidental to such inter-State transmission of electricity;

(iii) the transmission of electricity within the territory of a State on a system built, owned, operated, maintained or controlled by a Central Transmission Utility;

Thus, an intra-State transmission system which is used for the conveyance of electricity across the territory of an intervening State as well as conveyance within the State which is incidental to such inter-State transmission of electricity, shall be included for sharing of inter- state transmission charges. Any waiver of inter-state transmission charges that applies to Inter-state transmission systems shall also be applicable to such parts of the Intra-state transmission. The transmission charges of such Intra-state transmission system shall be reimbursed by the CTU as is being done for ISTS system. Concerned Regional Power Committee may through studies identify such lines.

5.0 This order shall be applicable prospectively i.e. from the date of issue of order.

6.0 This issues with the approval of Minister of State (I/C) for Power and NRE


(Ghanshyam Prasad)

Joint Secretary to the Govt. of India

Tel: 011- 2371 0389

To,

Secretary, CERC, New Delhi.

Copy to:

1. Secretary, MNRE New Delhi.
2. Chairperson, Central Electricity Authority, New Delhi.
3. Secretary in charge, Power/Energy Department, State Governments/UTs.
4. Secretary, State Electricity Regulatory Commissions / Joint Electricity Regulatory Commissions.

Copy for information to:

1. All Joint Secretaries/Chief Engineer, Ministry of Power.
2. PS to MoS(I/C) for Power and NRE.
3. Sr. PPS to Secretary (Power), Sr. PPS to AS (SKGR), Sr. PPS to AS (VKD), PPS to Sr. Advisor, Sr. PPS to JS (R&R) and PS to DS (R&R).

118


मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

7169



No.
Amount	100/-
Purpose/Use
07 SEP 2014	
RAJ SINGH SHARMA VENDOR Gurgaon (Haryana)	

IMPLEMENTATION AGREEMENT

BETWEEN

THDC INDIA LIMITED.

AND

POWER GRID CORPORATION OF INDIA LTD.

THIS AGREEMENT entered into on the 23rd day of September Two Thousand Fourteen (23/09/2014) between M/s THDC INDIA LIMITED, a Company established by Govt. of India and is incorporated under the Companies Act, 1956 having its registered office at Bhagirathi Bhawan, (Top Terrace), Bhagirathipuram, Tehri-Garwal, Uttarakhand-249 001, a power generating company involved in establishment, operation and maintenance of the generating stations (hereinafter called "THDC" or "Designated ISTS Customers (DIC)" which expression shall unless repugnant to the context or meaning thereof include its successors and assigns) as party of the first part and M/s Power Grid Corporation of India Ltd., a Company incorporated under the Companies Act, 1956 having its Registered office at B-9, Qutab Institutional Area, Katwaria Sarai, NEW DELHI-110016 a transmission company involved in establishment, operation and maintenance of the transmission system and further designated as Central Transmission Utility (CTU) under Electricity Act 2003 (hereinafter called "POWERGRID" or "CTU" which expression shall unless repugnant to the context or meaning thereof include its successors and assigns) as party of the second part.

PREAMBLE

WHEREAS THDC is desirous to establish Tehri PSP Hydro-electric Project (4x250 MW) to be owned and operated by it (hereinafter called as Generating Project).

Deepak Sarwal
 दीपक सारवाल
 DEEPAK SARWAL
 कार्यपालक निदेशक
 Executive Director

टीएचडीसी इंडिया लिमिटेड
 THDC INDIA LIMITED
 (A Joint Venture of Govt. of India & Govt. of U.P.)
 सक्षेत्र कार्यालय नर-23, मंडला-14, देहरादून, उत्तराखण्ड (उ.प्र.)
 NCR Office: Plot No.-23, Sector-14, Kirti Vihar, Gurgaon, (Haryana)

- 1 -

119

M.K. Verma
 मुकेश कुमार वर्मा / M.K. VERMA
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
 THDC India Limited, Rishikesh

AND WHEREAS POWERGRID is to setup Associated Transmission System (hereinafter called as "ATS" as detailed in the Annexure I annexed herewith forming integral part of this Agreement) for evacuation of power from the above Generating Project in integration with the existing transmission system. The ATS shall be, inter-alia, used to evacuate power from concerned Generating Project. The utilization of ATS shall be governed by the Electricity Act 2003 and relevant CERC Regulations and its amendments, if any..

AND WHEREAS THDC and POWERGRID both are desirous to commission the Generating Project and the Associated Transmission System simultaneously as far as practicable.

AND WHEREAS CERC has notified CERC (Terms and Conditions of Tariff) Regulations, 2014, effective from 01st April, 2014, (hereinafter called Tariff Regulations-2014) and as per Regulation 12 (2) of above mentioned Regulation, the impact of time overrun and cost overrun in case of delay in commissioning of Generating Project or ATS, shall be settled through an Implementation Agreement executed between the Generating Company and the Transmission Licensee


AND WHEREAS THDC and POWERGRID have informed their respective commissioning programme as given in Annexure-I Attached hereto.

AND WHEREAS THDC and POWERGRID have agreed to a 'Zero Date' as 3rd Nov, 2017, as brought out in Annexure-I for the purpose of indemnification to each other in case of delay in execution of Generating Project and ATS by respective parties, as the case may be in line with Regulation 12 (2) of CERC (Terms and Conditions of tariff) Regulations, 2014..

NOW Therefore, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed by and between the parties as follows:

1. Indemnification

- i. In the event of 1st Unit of Generating Station is not commissioned (COD) by 03.11.2017 (Zero date) i.e. scheduled commissioning date of the Associated Transmission System (ATS), the Generation Company shall bear the IDC or the Transmission charges if the transmission system is declared under commercial operation by the CERC in accordance with the Clause 3 of Regulation 4 of Tariff Regulations, 2014, till the Generating Station is Commissioned (COD).


दीपक सरवाल
DEEPAK SARWAL
कार्यपालक निदेशक
Executive Director
टीएचडीसी इंडिया लिमिटेड
THDC INDIA LIMITED
(A Joint Venture of Govt. of India & Govt. of U.P.)
एन.ए.ए. मार्ग पर 1-20 रोड-11 भिखी, हरिद्वार (उ.प्र.)
UPO No. - 04/11/2017, Rishikesh, Uttarakhand (U.P.)

- 2 -

120


मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

- ii. In the event of Transmission System is not commissioned by POWERGRID by 03.11.2017, POWERGRID shall arrange the evacuation from the Generating Station at its own arrangement and cost till the Associated Transmission System is commissioned, in line with the clause 3 of Regulation 4 of CERC Tariff Regulation, 2014.
- iii. The terms and conditions of this Agreement shall be governed by provisions of CERC (Terms and Conditions of Tariff) Regulations, 2014 and any amendment made by CERC subsequently to said Regulations or CERC order in this regard.

2. Definition & Interpretation

Unless the context otherwise requires, the words/expressions used in this Agreement shall have the respective meanings as specified in CERC Sharing Regulations, 2010, Tariff Regulations, 2014 and Electricity Act, 2003.

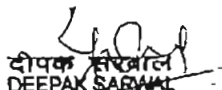
3. Dispute Resolution and Arbitration

- a. All differences and/or disputes between the parties arising out of or in connection with these presents shall at the first instance be settled through amicable settlement at the level of Directors/ Chief Executive of THDC & POWERGRID. In the event of unresolved disputes/differences, such disputes shall be submitted for adjudication by CERC.
- b. Where any dispute is directed by CERC to be determined by Arbitration, the matter shall be determined by such persons as the CERC may nominate in that behalf on the application of the party. In respect of all other purpose of the Arbitration proceeding, the provisions of Arbitration and Conciliation Act, 1996 shall be applicable. The place of Arbitration shall be New Delhi.
- c. Notwithstanding the existence of any disputes and differences or reference of dispute to arbitration, the parties herein shall continue to perform their respective obligations under this Agreement.

4. Force Majeure

- a. No party shall be liable for any claim for the default or delay due to force majeure event over which POWERGRID/THDC has no control. Force-Majeure event shall mean the event as detailed out in para 14.0 "Force-Majeure" of Transmission Service Agreement (TSA).

एच.ओ.
एम.ओ.
एच.ओ.
एम.ओ.
एच.ओ.
एम.ओ.


दीपक सरमा
DEEPAK SARMA
कार्यपालक निदेशक
Executive Director
टीएचडीसी इंडिया लिमिटेड
THDC INDIA LIMITED
(A Joint Venture of Govt. of India & Govt. of U.P.)
एच.ओ. ऑफिस एर-1, सेक्टर-14, काठमांडू, नेपाल, न्यूरियल (Nepal)
NCP Office: Post No.-29, Sector-14, Kathmandu, GZR, (N.P.)

- 3 -

(12)


मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

b. Any party claiming the benefit of this clause shall satisfy the other party of the existence of such an event and give written 'Notice' within 30 days of occurrence of such Force Majeure event along with necessary documents to the other party to this effect.

5. Effective Date And Duration of Agreement

This Agreement shall be deemed to have come into force with effect from the date of signing of this Agreement for all purposes and intent shall remain operative till the settlement of claim of either side under the Agreement.

6. Governing Laws and Jurisdiction

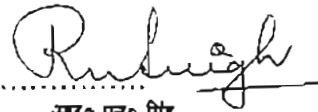
This Agreement shall be governed by and construed in accordance with the laws of India. Any legal proceedings in respect of any matters, claims or disputes under this Agreement shall be under the jurisdiction of appropriate courts in New Delhi.

IN WITNESS WHEREOF the parties have executed these presents to their Authorised Representatives at Gurgaon on the day, month and year mentioned above.

FOR AND ON BEHALF OF

THDC INDIA LTD.

WITNESS

Signature..... 

Name आर. एन. सिंह
R. N. SINGH
अधीनस्थ प्रबन्धक (एस.एम.)
Add. General Manager (SP)

Designation..... टीएचडीसी इंडिया लिमिटेड
THDC INDIA LIMITED
(A Joint Venture of Govt. of U.P. & Govt. of India)
HCR Office: Plot No.-20, Sector-4, Kirti Nagar, GZB, (U.P.)

Signature..... 

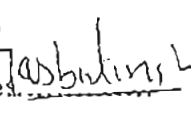
Name दीपक बरवाल
DEEPAK BARWAL
कार्यालय निदेशक
Executive Director

Designation..... टीएचडीसी इंडिया लिमिटेड
THDC INDIA LIMITED
(A Joint Venture of Govt. of India & Govt. of U.P.)
HCR Office: Plot No.-20, Sector-4, Kirti Nagar, GZB, (U.P.)

FOR AND ON BEHALF OF

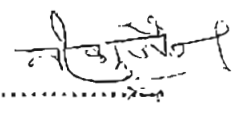
POWER GRID CORPORATION OF INDIA LTD.

WITNESS

Signature..... 

Name जसबीर सिंह
Jaabir Singh

Designation..... आसि (वाणिज्यिक)
By, General Manager (Commercial)

Signature..... 

Name

Designation.....


मुकेश कुमार वर्मा / M.K. VERMA
अधीनस्थ प्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

ANNEXURE-I TO IMPLEMENTATION AGREEMENT
BETWEEN
THDC India Ltd. (THDCIL)
AND
POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)

Schedule For the purpose of Indemnification

PROJECT : TEHRI PUMPED STORAGE PLANT (PSP) (4x250 MW)

1. Units of Tehri PSP (4x250MW):

Scheduled commissioning of Unit-1 (250 MW): 03.11. 2017
Unit-2,3 &4 (3 x 250 MW): thereafter

2. Components of Associated Transmission System (ATS) for Tehri PSP to be implemented by POWERGRID :

A. Transmission Line

1. 400 kV S/C Tehri Generation- Tehri Pooling Station (Quad) (16 Kms).
2. Charging of Tehri Pooling – Merrut line at 765 kV level,
3. Diversion of 765 kV S/C Koteshwar-Meerut line 1&2 at Meerut

B. Sub – Station

1. Establishment of 765/400 kV, 14 x 267.67 MVA ICTs and extension of GIS Tehri Pooling Station
2. Augmentation of 765/400 kV, 1500 MVA transformation capacity at Meerut Substation,
3. Modification of Series Capacitor for operation at 765 kV at Meerut Substation

Commissioning Schedule of ATS – 03.11. 2017

3. It is agreed that the Zero Date for above projects shall be 03.11.2017 for the purpose of indemnification of THDC or POWERGRID. as the case may be, in line with clause 12 (2) of CERC (Terms and Conditions of Tariff) Regulations, 2014.
4. This shall form an integral part of the Implementation Agreement.

For & on behalf of THDC

For & on behalf of POWERGRID


दीपक सरवाल
DEEPAK SARWAL
कार्यपालक निदेशक
Executive Director
टीएचडीसी इंडिया लिमिटेड
THDC INDIA LIMITED
(A Joint Venture of Govt. of India & Govt. of U.P.)
एन सी ई आर बिल्डिंग प्लॉट १-२१, सेक्टर-१४, काठमांडू, नेपाल (३००)
NCR Office: Plot No.-20, Sector-14, Kaushambi, GZB (LP)

-5-
(123)


मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

"हिन्दी को राजभाषा बनाया गया का प्रथम वर्षी अभिनु देशाभिमान का प्रथम दिन"



टीएचडीसी इंडिया लिमिटेड

(भारत सरकार एवं उत्तर प्रदेश सरकार का संयुक्त उपक्रम)
टिहरी, टिहरी गढ़वाल, उत्तराखण्ड पिन - 249 131

THDC INDIA LIMITED

(A Joint Venture of Govt. of India & Govt. of U.P.)
Tehri, Tehri Garhwal, Uttarakhand Pin - 249 131

No THDCIL/ Tehri /GM/PSP/2019 /585

Dated: 08.00.2019

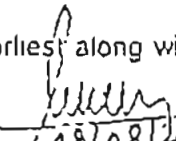
OFFICE ORDER

Time extension for EPC/Turnkey execution of Tehri Pumped Storage Plant (4x250 MW) under Agreement No THDC/RKSH/CD-262/AG/OA dated 23.07.2011 is granted to the Consortium of M/s GE Hydro France (formerly M/s Alstom Hydro France), M/s Hindustan Construction Co. Ltd and M/s GE Power India Limited (formerly M/s Alstom India Ltd) up to 22nd June 2021 without levy of liquidated damages (LD) and price escalation shall be paid to the consortium up to the extended time, as per the contract provision.

Further time extension is also granted to the consortium beyond 22.06.2021 till 20.06.2022 but with levy of LD as per the mile stone dates given below-

Sl. No.	Description of Milestones	Scheduled Completion dates as per the contract	Completion dates as per the time extension granted to the consortium
1	Commissioning and taking over of First Unit	26-July-15	25-Dec-2021
2	Commissioning and taking over of Second Unit	26-Sep-15	22-Feb-2022
3	Commissioning and taking over of Third Unit	26-Nov-15	22-April-2022
4	Commissioning and taking over of Fourth Unit	26-Jan-15	20-June-2022

Consortium shall submit the cash flow statement and revised MCN at the earliest along with the matching resources for completing the project latest by 20.06.2022


08/08/2019
(K. P. Singh)
GM (PSP).

Copy to:

1. ED(Design), THDC India Limited, Rishikesh
2. ED (TC), THDC India Limited, Tehri
3. GM (OMS, QA & I), THDC India Limited, Rishikesh.
4. GM (MPS), THDC India Limited, Rishikesh.
5. GM (EMHM), THDC India Limited, Tehri.
6. DGM-CM, DGM- II, DGM- III, Sr. Mgr-I (PSP), THDC India Limited, Tehri.
7. DGM (F&A), THDC India Limited, Tehri
8. Shri Ajay Shukla, Consortium Project Director, M/s GE-HCC Consortium, Camp Office - Gajna, Tehri - with the request to send your acceptance of the above granted time extension please

जयपुरा गंगा भवन प्रगतपुरम, बाईपास रोड, रीशिकेश-249 201, दूरभाष : 2431517, 2431522, 2431523 फॅक्स 0135-2431520
Office: Ganga Bhawan, Pragatipuram, Bypass Road, Rishikesh-249 201 Tel.: 2431517, 2431522, 2431523 Fax : 0135-2431520

दूरभाष : 01376-266391-92-93-94-95, Fax :- 01376-236383
rd. Office : BHAGIRATHI BHAWAN (TOP TERRACE) BHAGIRATHIPURAM, TEHRI-GARHWAL-249 131
Phone : 01376-266391-92-93-94-95, Fax :- 01376-236383

(124)


मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, रीशिकेश
THDC India Limited, Rishikesh



टीएचडीसी इंडिया लिमिटेड THDC INDIA LIMITED

(भारत सरकार एवं उ.प्र. सरकार का संयुक्त उपक्रम)

CIN : U45203UR1988GO1009822

टिहरी, टिहरी गढ़वाल (उत्तराखण्ड) पिन- 249124

Tehri, Tehri Garhwal (Uttarakhand) PIN- 249124



No. THDCIL/Tehri/PSP/GM/ 47

Di. 10.02.2022

OFFICE ORDER

Time extension for EPC/Turnkey execution of Tehri Pumped Storage Plant (4x250 MW) under Agreement No THDC/RKSH/CD-262/AG/OA dated 23.07.2011 is hereby granted to the Consortium of M/s GE Hydro France (formerly M/s Alstom Hydro France), M/s Hindustan Construction Co. Ltd and M/s GE Power India Limited (formerly M/s Alstom India Ltd) up to 30th Dec'2022 without levy of liquidated damages (LD).

Further time extension is also granted to the consortium beyond 30.12.2022 till 28.12.2023 but with levy of LD as per the mile stone dates given below:-

Sl. No.	Description of Milestones	Scheduled Completion dates as per the contract	Completion dates as per the time extension granted to the consortium
1	Commissioning and taking over of First Unit	26-July-15	28-June-2023
2	Commissioning and taking over of Second Unit	26-Sep-15	28-Aug-2023
3	Commissioning and taking over of Third Unit	26-Nov-15	28-Oct-2023
4	Commissioning and taking over of Fourth Unit	26-Jan-16	28-Dec-2023

This issues with the approval of Competent Authority.

(S S Panwar)
GM Project (PSP)

Copy to:

1. ED (TC), THDC India Ltd., Tehri for kind information, please
2. CGM -Design EM, Civil & HM, THDC India Ltd., Rishikesh.
3. GM (Contracts), THDC India Ltd., Rishikesh.
4. GM (Plg.), THDC India Ltd., Tehri.
5. AGM (QA&I), THDC India Ltd., Rishikesh.
6. AGM (CM-PSP), THDC India Ltd., Tehri.
7. AGM (QC), THDC India Ltd., Tehri
8. AGM (PSP-EM/HM), THDC India Ltd., Tehri.
9. AGM (F&A), THDC India Ltd., Tehri.
10. DGM -I, II & III (PSP), THDC India Ltd., Tehri.
11. Shri Ajay Shukla, Consortium Project Director, M/s-GE HCC Consortium, Tehri - with the request to send your acceptance of the above granted time extension.

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (व्यापारिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh



सूचना का
अधिकार

प्रधान कार्यालय : गंगा भवन, प्रगातिपुरम, बाईपास रोड, ऋषिकेश - 249201
Corporate Office: GANGA BHAVAN, PRAGATI PURAM, BYPASS ROAD, RISHIKESH - 249201
पंजीकृत कार्यालय : भगवती भवन (टॉप टैरस), भगवतीपुरम, टिहरी गढ़वाल-249124
Regd. Office: Bhagirathi Bhavan, (Top Terrace), Bhagirathi Puram, Tehri Garhwal-249124
दूरभाष- 0135-2439463, टेलीग्राफ- 0135-2439463, Website Address: www.thdc.gov.in
"टीहरी को राजधानी बनाया, भारत का राजन मंत्री अविदु देवाभिमान का राज है।"



NTPC Limited

(A Govt. of India Enterprises)
Corporate Centre
Date: 25.08.2021

Ref.No. NTPC-BD/LTR/THDCIL/2021-22

To,

Under Secretary (Thermal),
Ministry of Power,
Shram Shakti Bhawan, Rafi Marg,
New Delhi-110001

Subject: Approval of RCE-I of Vishnugad Pipalkoti HEP & RCE-II of Tehri Pumped Storage Plant of THDC at February 2019 Price level by NTPC.

Dear Sir,

1. THDC vide letter dated 19.05.2021 informed that THDCIL Board in its 215th Board meeting held on 10.04.2021 has approved the RCE-I of Vishnugad Pipalkoti HEP & RCE-II of Tehri Pumped Storage Plant and requested further approval from NTPC Board.
2. In line with communication received from Ministry vide letter no. 14-1/5/2021-H-I (256235) dated 25.02.2021, NTPC Board in its 501st meeting held on 31st July 2021, has accorded the following approval for the above two projects of THDC:
 - a) Subject to approval of Ministry of Power, approval is accorded for the Revised Cost Estimate (RCE-I) of the Vishnugad Pipalkoti HEP (4x111MW) amounting to Rs 3860.35 Cr including IDC & FC of Rs 351.65 Cr with Commissioning date as on Dec 22, as approved by CEA.
 - b) Subject to approval of Ministry of Power, approval is accorded for the Revised Cost Estimate (RCE-II) of Tehri Pump Storage Plant (4x250 MW) amounting to Rs 4825.60 Cr (including an IDC & FC of 1089.80 Cr) as recommended by Revised Cost Committee of MoP with commissioning by Jun-2022.

It is therefore requested that requisite approvals for the Revised Cost Estimates of Vishnugad Pipalkoti HEP(4x111MW) & Tehri Pump Storage Plant (4x250 MW) may please be communicated to THDC as management control of THDC by NTPC has to be exercised in consultation with and through Ministry of Power in line with SPA.

Thanking You,

Sincerely Yours

(Sangeeta Kaushik)
CGM (BD-Domestic)

Copy: ED(MPS/CP) THDC

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

126

I No.14-1/S/2021-H.I.(256235)
 Government of India
 Ministry of Power

New Delhi, dated: 25-02-2021.

To,

The CMD-NTPC,
 Scope Complex, Lodhi Road,
 New Delhi.

Subject:- Revised Cost Estimates of projects of NEEPCO and THDCIL, post acquisition of the entire Govt of India stake by NTPC- reg

Sir,

I am directed to refer to this Ministry's letters No.14-7/12/2017-H.I.(236289) dated: 14-12-2020 and 08/01/2021 (copies enclosed) on the above subject and to say that the matter has been examined in the Internal Finance Division (IFD) of the Ministry of Power and it has been opined that the provisions of Clause 7.2 of the Share Purchase Agreement (SPA) signed between Govt of India and NTPC are operative. The same has been reproduced below :-

"The Acquirer hereby agrees and undertakes to the Seller that, post the Transfer of the Sale Shares from the Seller to the Acquirer, it shall cause the Company to continue to honour all its legally binding obligations arising out of Applicable Law or contract or otherwise. Further, it is also agreed that the Acquirer shall fulfill all investment commitments which the Seller has already committed to as on the Effective Date as described in detail in Schedule-5 to this Agreement."

IFD has further opined that "NTPC is a maharatna CPSE and it's board is entitled to consider the administrative approval of projects. Hence the RCE should be sent to NTPC Board for consideration".

2. Accordingly, the RCEs of THDCIL and NEEPCO which were earlier returned by the Ministry as per the enclosed letter, being an integral part of the investment commitments, may now be fulfilled in accordance with the relevant provisions of the SPA referred to above.

3. Further, as discussed during the meeting held on 10th Feb., 2021 to review the progress of Vishnugad Pipalkoti HE Project being executed by THDCIL, Secretary(Power) had desired that the RCE in respect of the said project, may be placed before the Board of Directors of NTPC for its consideration in the next Board Meeting.

4. This issues with the approval of Secretary (Power).

Encl: As above.

Yours faithfully,



(Ravi Prakash Pradhan)

Director(Hydro)

Tele: 23717753.

email: rp.pradhan@nic.in



मुकेश कुमार वर्मा / M.K. VERMA
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 THDC India Limited, Rishikesh

127
 14

No.14-7/12/2017- H-I (236289)
 Government of India
 Ministry of Power
 Hydel-I Section

Shram Shakti Bhawan, Rafi Marg
 New Delhi, dated the 8th January, 2021

To,

The CMD,
 THDCIL,
 Rishikesh


Sub: Revised Cost Estimates/ PIBs, under consideration of the Ministry, prior to the Strategic sale of Government of India Equity in THDCIL to NTPC - reg.

Sir,

I am directed to refer to this Ministry's letter F. No. 14-7/12/2017-H.I (236289) dated 14.12.2020 addressed to CMD NTPC and to inform that the RCEs/PIBs of various Projects of THDCIL which were under consideration of the Ministry, prior to the strategic sale of Government of India equity in THDCIL to NTPC on 27.03.2020, are deemed to be returned in original for further needful at your end. Further action may be taken up, in accordance with Clause 7.2 and Schedule 5 of the SPA and in light of this Ministry's aforesaid letter dated 14-12-2020.

2 This issues with the approval of Competent Authority.

Encl: As Above


 (Mukesh Sawhney)
 Under Secretary to the Govt. of India
 Telefax: 23324357
 Email: mukesh.sawhney67@nic.in

Copy for information and necessary action to CMD NTPC Ltd.


 मुकेश कुमार वर्मा / M.K. VERMA
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
 THDC India Limited, Rishikesh

F.No.14-7/12/2017-H.I(236289)

Government of India
Ministry of Power

New Delhi, dated: 14-12-2020.

To,
The CMD-NTPC,
Scope Complex, Lodhi Road,
New Delhi.

Sub:- Acquisition of Assets and Liabilities of NEEPCO & THDCIL - reg.

Sir,

I am directed to refer to NTPC's letter No.01/CP/CA/Hydro-20-21 dated 18-08-2020 on the subject mentioned above and to say that Clause 7.2 of Share Purchase Agreement (signed between the Ministry of Power and NTPC Ltd, for sale of equity of Govt. of India in NEEPCO & THDCIL), states as under :

'The acquirer hereby agrees and undertakes to the seller that, post the Transfer of the sale shares from the seller to the acquirer, it shall cause the Company to continue to honour all its legally binding obligations arising out of the Applicable Law or contract or otherwise. The acquirer shall fulfil all investment commitments which the seller has already committed to as on the effective date as described in detail in Schedule-5 to this agreement.'

Thus, it is amply clear that with the acquisition of shareholdings of GoI in NEEPCO and THDCIL by NTPC Ltd. in March, 2020, the assets and liabilities of these companies got transferred to NTPC Ltd.. Therefore, in accordance with the provisions of the aforesaid clause 7.2, the acquirer, i.e. NTPC has to fulfil the commitment as mentioned in Schedule-5 of the Share Purchase Agreement.

2. It is, therefore, requested to fulfill the commitment regarding investment approvals of ongoing/future projects of NEEPCO and THDCIL as clarified above.

3. It is also informed that Department of Public Enterprises, has recently clarified that the Mini Ratna status of NEEPCO and THDCIL, would remain intact.

This issues with the approval of Secretary (Power).

Yours faithfully,

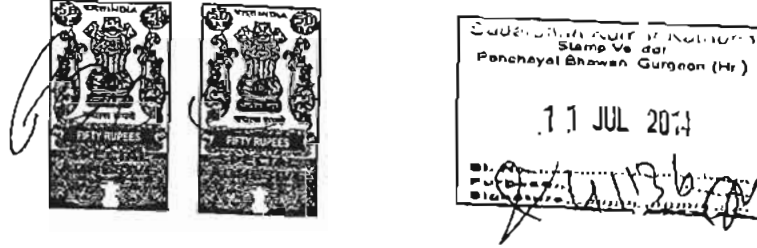

(Mukesh Sawhney)
Under Secretary to the Government of India
Email: mukesh.sawhney67@nic.in

Copy to: AS(Th.)

Copy for information and necessary action to CMD THDCIL/NEEPCO.

129


मुकेश कुमार वर्मा / M.K. VERMA
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THDC India Limited, Rishikesh



TRANSMISSION SERVICE AGREEMENT

This Agreement is made on this 5th day of September, 2014, by and between the persons whose names and registered offices are set out in Schedule I including their successors and permitted assigns

WHEREAS

- A. The Central Electricity Regulatory Commission (CERC) in exercise of the powers conferred under section 178 read with Part V of the Electricity Act, 2003 (36 of 2003), has issued regulations for Sharing of Inter State Transmission Charges and Losses in June, 2010 (hereinafter referred to as "Sharing Regulations"), pursuant to which the Central Transmission Utility (CTU) is entering into this Transmission Service Agreement (TSA) with all the ISTS Licensees, Deemed ISTS Licensees, other non-ISTS Licensees whose assets have been certified as being used for interstate transmission by the RPCs, and the Designated ISTS Customers (DICs) to govern the provision of inter-State transmission services including sharing of transmission charges and losses amongst the DICs, and disbursing the transmission charges collected by the CTU to respective ISTS

Richy
05.09.2014

अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.


- 1 -

130

मी.के.वर्मा
मुकुंदा कुमार वर्मा / M.K. VERMA
अपर महाप्रबन्धक (वाणिज्यिक)
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टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

Licensees and other non-ISTS Licensees as per the Revenue Sharing Agreement (RSA);

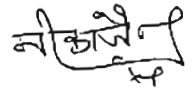
- B. This Transmission Service Agreement shall be the Model Transmission Service Agreement and shall mandatorily apply to all the DICs and ISTS Licensees. Signing of this Transmission Service Agreement shall not be a pre-condition for construction of new network elements by the CTU and ISTS Licensees, where such network construction is undertaken after due approval of the Commission;
- C. This Transmission Service Agreement may be amended from time to time by the parties to the said agreement consistent with the provisions of the Sharing Regulations or as may be directed by the Commission from time to time;
- D. The development of an ISTS Scheme including any scheme which is under construction would continue to be governed in accordance with the Indemnification Agreement or Bulk Power Transmission Agreement or Transmission Service Agreement or any such agreement, as entered into between the concerned ISTS Licensee and the concerned DIC (s)/erstwhile beneficiaries to the extent relevant to the development, construction and commissioning of the elements referred therein till such time the said element is for commercial operation and actually brought into the operations, post which the terms and conditions of this TSA would come into force;
- E. The persons listed in Schedule - I are parties to this Transmission Service Agreement. Other existing/new DIC or ISTS Licensee, for the purpose of availing or providing inter-State transmission services, as the case may be, shall also enter into a TSA or a Supplementary Agreement pursuant to this Transmission Service Agreement, thereby binding itself to this Agreement;
- F. All the invoices pertaining to provision of ISTS services for the period up to the Effective Date (including any arrears thereof) would be raised and realized directly by the ISTS Licensee from its beneficiaries, as per their earlier arrangements. Any fund arising out of various indemnification or Liquidated damages provisions contained in existing agreement such as TSA for Competitive bidding projects, BPTA with LTA customers, Indemnification agreement between generator and CTU etc prior to Commercial Date of Operation(COD) shall not be covered in this agreement and would continue to be settled among parties in terms of those agreements.


05.09.2014

अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
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रिश्किेश / Rishikesh

- 2 -

131




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THDC India Limited, Rishikesh

Articles

1.0 Definitions and Interpretations

1.1 Definitions

Unless the context otherwise requires the words/ expressions when used in this Agreement shall have the respective meanings as specified below:

“Act” means the Electricity Act, 2003 (36 of 2003) and any subsequent amendment made thereto;

“Application Period”, “Approved Injection”, “Approved Additional Medium Term Injection”, “Approved Short Term Injection”, “Approved Withdrawal”, “Approved Additional Medium Term Withdrawal”, “Approved Short Term Withdrawal”, “Deemed Inter State Transmission System” or “Deemed ISTS”, “Designated ISTS Customers” or “DICs”, “Grid Code” “Implementing Agency”, “Inter-State Generating Station”, “ Loss Allocation Factor”, “Point of Connection (PoC) Charging Method”, “Point of Connection Transmission Charges” or “PoC Charges”, and “Yearly Transmission Charge” or “YTC” shall have the meaning, as defined in the Sharing Regulations; and any amendments made thereof;

“Availability” means the availability of the transmission system calculated in accordance with CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended from time to time and any subsequent enactment thereof.

“CEA” means the Central Electricity Authority constituted under Section 70 of the Electricity Act, 2003;

“CERC” or “Commission” means the Central Electricity Regulatory Commission constituted under Section-76 of the Electricity Act, 2003;

“Central Transmission Utility” or “CTU” means the utility notified by the Central Government under Section 38 of the Electricity Act, 2003;

210
05-09-2014
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132

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THDC India Limited, Rishikesh

“Change in law” shall have the meaning as ascribed in Article 15.0 of this Agreement;
“Competent Court of Law” means the Supreme Court or any High Court, or any tribunal or any similar judicial or quasi-judicial body in India adjudicate upon issues arising out of the implementation of the agreement ;

“Consultation Period” means the period of sixty (60) days or such longer period as the concerned DIC and CTU or the concerned ISTS Licensee and CTU, depending upon the case, may agree, commencing from the date of issue of notice, as provided in Article 16.0 of this Agreement, for consultation to mitigate the consequence of the relevant event having regard to all the circumstances;

“Date of commercial operation” or “COD” shall have the meaning as defined in Regulation 3(12) of the CERC (Terms and Conditions of Tariff) Regulations, 2009 and amended from time to time and any subsequent enactment thereof ;


“Due Date” means, in relation to any bill the thirtieth day from the date which such bill is raised and published on the website of CTU for payment by the DIC;

“Effective Date” shall have the meaning as ascribed thereto in Article 3 of this Agreement;

“Element” means each Transmission Line or each circuit of the Transmission Lines (where there are more than one circuit) or each bay of Sub-station or switching station or HVDC terminal or inverter station including ICTs, Reactors, SVC, FSC etc. forming part of the ISTS, which is owned, operated and maintained by the concerned ISTS Licensee;

“Financing Agreements” means the agreements pursuant to which the concerned ISTS Licensee is to finance its part of the ISTS including the loan agreements, security documents, notes, indentures, security agreements, letters of credit and other documents, as may be amended, modified, or replaced from time to time, but without in anyway increasing the liabilities of the DICs;

“Force Majeure” and “Force Majeure Event” shall have the meaning as assigned in Article 14.0 of this agreement;


05.09.2014
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रिषिकेश / Rishikesh

- 4 -

133



मुकेश कुमार वर्मा / M.K. VERMA
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“Indian Governmental Instrumentality” means Government of India, Government of any State in India or any Ministry, Department, Board, Authority, Agency, Corporation, Commission under the direct or indirect control of Government of India or any State Government or both, any political sub-division of any of them including any court or Appropriate Commission or Tribunal or Judicial or quasi-Judicial body in India but excluding Transmission Service Provider and DIC;


“Letter of Credit” or “LC” means a confirmed unconditional, irrevocable, revolving Letter of Credit opened by a DIC in favour of the CTU with any scheduled bank;

“Lenders” means the banks, financial institutions, multilateral funding agencies, non banking financial companies registered with the Reserve Bank of India (RBI); insurance companies which are registered with Insurance Regulatory and Development Authority (IRDA); pension funds regulated by Pension Fund Regulatory and Development Authority (PFRDA); mutual funds registered with Securities and Exchange Board of India (SEBI), etc., including their successors and assigns, who have agreed on or before COD of the concerned Element to provide the concerned ISTS Licensee with senior debt financing, and any successor banks or financial institutions to whom their interests under the Financing Agreements may be transferred or assigned;

Provided that, such assignment or transfer shall not relieve the concerned ISTS Licensee of its obligations to the DICs under this Agreement in any manner and shall also not lead to an increase in the liability of any of the DICs;

“Lenders Representative” means the person notified by the Lenders in writing as being the representative of the Lenders and such person may from time to time be replaced by the Lenders pursuant to the Financing Agreements by written notice to the concerned ISTS Licensee;


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05.09.2014
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ऋषिकेश / Rishikesh

- 5 -

134

“Monthly Transmission Charge” means the transmission charges (inclusive of incentives) payable for each calendar month as determined in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended from time to time and subsequent amendment thereof or the transmission charges arrived through competitive bidding as adopted by the Appropriate Commission under Section 63 of the Act;

“Party” means a signatory to this Agreement, which shall be CTU or a DIC or an ISTS Licensee, and “Parties” means a joint reference to all the signatories to this Agreement, which shall be CTU, all the DICs and all the ISTS Licensees;

“Prudent Utility Practices” mean the practices, methods and standards that are generally accepted internationally from time to time by electric transmission utilities for the purpose of ensuring the safe, efficient and economic design, construction, commissioning, operation, repair and maintenance of any part of the transmission system and which practices, methods and standards shall be adjusted as necessary, to take account of:


- a. operation, repair and maintenance guidelines given by the manufacturers,
- b. the requirements of Law, and
- c. the physical conditions at the Site
- d. the safety of operating personnel and human beings

“Site” in relation to a substation, switching station or HVDC terminal or inverter station, means the land and other places upon which such station / terminal is established;

“Transmission Service Agreement” or “this Agreement” or “TSA” means this agreement together with the Schedules, Annexure, and Documents referred to herein, as amended or modified from time to time;

“Working Day” means any day except Saturday, Sunday and statutory holiday.

Words and expressions used in this Agreement and not defined herein but defined


05.09.2014
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- 6 -

135


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in the Act or Regulations made by the Commission, shall have the meanings assigned to them respectively in the Act, and Regulations made by the Commission from time to time and General Clause Act failing which it shall bear the ordinary English meaning.

1.2 Interpretations

Save where the contrary is indicated, any reference in this Agreement to:

“Agreement” shall be construed as including a reference to its Schedules, Annexures and Documents;

“Rupee”, “Rupees” and “₹” denotes lawful currency of India;

“Crore” means a reference to ten million (10,000,000) and a “Lakh” means a reference to one tenth of a million (1,00,000);

“encumbrance” means a reference to a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect;

“indebtedness” means to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;

“person” shall have the same meaning as defined in Section 2 (49) of the Act;

“winding-up”, “dissolution”, “insolvency”, or “reorganization” shall have the same meaning as defined in the Companies Act, 1956 ;

1.2.1 Words importing the singular shall include the plural and vice versa.

1.2.2 This Agreement itself or any other agreement or document shall be construed as a reference to this or to such other agreement or document as it may have been, or may from time to time be, amended, varied, novated, replaced or supplemented.

1.2.3 A Law shall be construed as a reference to such Law including its amendments or re-enactments from time to time.

05.09.2014

अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
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- 7 -

136

मुकेश कुमार वर्मा / M.K. VERMA
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THDC India Limited, Rishikesh

- 1.2.4 A time of day shall, save as otherwise provided in any agreement or document be construed as a reference to Indian Standard Time.
- 1.2.5 Different parts of this Agreement are to be taken as mutually explanatory and supplementary to each other and if there is any inconsistency between or among the parts of this Agreement, they shall be interpreted in a harmonious manner so as to give effect to each part.
- 1.2.6 The tables of contents and any headings or sub-headings in this Agreement have been inserted for ease of reference only and shall not affect the interpretation of this Agreement.
- 1.2.7 Any interest payable under this Agreement shall accrue from day to day and be calculated on the basis of a year of three hundred and sixty five (365) days.
- 1.2.8 The words "hereof" or "herein", if and when used in this Agreement shall mean a reference to this Agreement.

2.0 Parties to the Agreement

2.1 Existing Designated ISTS Customers (DICs) & ISTS Licensees

- 2.1.1 The DICs and ISTS Licensees, as mentioned in **Schedule - I**, enter into this Agreement and bind themselves to the terms of this Agreement as on the date of Sharing Regulations coming into force.
- 2.1.2 In the event of any conflict between the existing Bulk Power Transmission Agreements (BPTA) or Transmission Service Agreement (TSA) and this Agreement, the terms of this Agreement shall supersede, as far as the sharing of transmission charges are concerned.
- 2.1.3 An ISGS who is not a signatory to a BPTA or TSA too enter into this Agreement and bind itself to the terms of this Agreement
- 2.1.4 Non-ISTS Licensees whose assets have been certified as being used for inter-

~~05.09.2014~~
अजय कुमार / Ajay Kumar
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- 8 -

137


मुकेश कुमार वर्मा / M.K. VERMA
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THDC India Limited, Rishikesh

State transmission by the RPCs.

2.2 New Designated ISTS Customers (DICs) & ISTS Licensees

2.2.1 This Agreement shall be signed by all new DICs intending to connect to and/or use the ISTS.

2.2.2 This Agreement shall be signed by all new ISTS Licensees intending to provide ISTS services and to develop and maintain any part of the ISTS network.

2.2.3 Any new DIC or ISTS Licensee shall become a party to this Agreement subject to and in accordance with the provisions of this Agreement by execution of Supplementary Agreement, ~~as mentioned in Annexure A~~, by such DIC or ISTS Licensee and the CTU. 

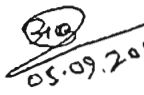
2.2.4 Each Party hereby irrevocably and unconditionally authorizes CTU to execute on behalf of such Party any Supplementary Agreement duly executed by the new DIC or ISTS Licensee, as the case may be, and to thereby admit the new DIC or ISTS Licensee, as the case may be, as a Party to this Agreement. Agreements as such executed, shall be deemed to have been signed by all the existing parties of the TSA. A copy of such Supplementary Agreement shall be sent by the CTU to all the ISTS Licensees and DICs.

2.2.5 Upon execution of the Supplementary Agreement by both CTU and the new DIC or ISTS Licensee in accordance with Article 2.2.4 of this Agreement, the new DIC or ISTS Licensee shall become a Party to this Agreement.

2.3 Owners of new Non-ISTS assets as and when certified by RPCs for carrying Inter State Power and owners of deemed ISTS shall be considered deemed signatories to this Agreement and therefore all such rights and obligations, as applicable to ISTS Licensees shall be applicable to them.

3.0 Effectiveness of the Agreement

3.1 For the existing DICs and ISTS Licensees, this Agreement shall be effective from the date, as notified under Sharing Regulations or as notified by the Commission.


अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.
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- 9 -

138


मुकुंद कुमार वर्मा / M.K. VERMA
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

- 3.2 Any new DICs or new ISTS Licensees shall be Party to this Agreement from the date of signing of the TSA or Supplementary Agreement, as executed between the CTU and the new DIC or ISTS Licensee, as the case may be.
- 3.3 For the owners of RPC certified lines, this Agreement shall be effective from the date of such approval by RPC and inclusion of these assets in the calculation of Point of Connection (PoC) charges.
- 3.4 From the Effective Date, each Party undertakes to each other Party to comply with and to perform its obligations in accordance with and subject to this Agreement.
- 3.5 This agreement shall deemed to have come into force w.e.f. the date(s) as mentioned at Article 3.1, 3.2 and 3.3. above and shall, without prejudice to the provisions under Article 16, remain operative till the same is renewed/replaced/modified.


4.0 Description of inter-State Transmission System (ISTS)

4.1 Existing ISTS

- 4.1.1 The list of ISTS presently owned, operated and maintained by ISTS Licensees in the country is detailed in Schedule - II.

4.2 Deemed ISTS

- 4.2.1 The provisions of this Agreement shall be applicable to Deemed ISTS, as detailed in Schedule - II.
- 4.2.2 Any additions/ deletions to the existing list as certified by the RPCs and approved by the Commission shall be intimated to the DICs by the Regional Power Committee (RPC). Such modifications shall form part of Schedule - II of this Agreement and shall be governed by the terms and conditions contained herein.


05.09.2014
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रिश्किश / Rishikesh

- 10 -

139


मुकेश कुमार वर्मा / M.K. VERMA
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Addl. General Manager (Commercial)
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THDC India Limited, Rishikesh

4.3 New ISTS Schemes

- 4.3.1 New ISTS Schemes shall be as identified in consultation with the stakeholders, by CEA and CTU.
- 4.3.2 Any element that may be added to the ISTS detailed in Article 4.1.1 and declared for commercial operation by the concerned ISTS Licensee will be intimated to the DICs by the ISTS Licensee or the CTU, as and when these are declared under commercial operation. Such addition shall form a part of Schedule - I) of this Agreement and shall be governed by the terms and conditions as contained herein.
- 4.3.3 CTU shall notify all the ISTS Licensees and the DICs, as and when such element, as mentioned in Article 4.3.2 comes into operation.

5.0 Operation and Maintenance of the ISTS

5.1 Operation and Maintenance of the ISTS


- 5.1.1 The ISTS Licensees shall be responsible for ensuring that the ISTS is operated and maintained in accordance with the regulations made by the Commission and CEA from time to time and the provisions of the Act.

6.0 Availability of the ISTS Scheme

6.1 Calculation of Availability of the ISTS Scheme/ Element:

The calculation of Availability for the elements and for the ISTS Scheme, as the case may be, shall be as per the CERC (Terms and Conditions of Tariff) Regulations, 2009 as may be amended from time to time and any subsequent enactment thereof.

- 6.2 The Target Availability of the ISTS Scheme shall be as per the norms mentioned in CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended from time to time and any subsequent enactment thereof.


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- 11 -

140


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7.0 Declaration and Approval of Contracted Capacity at each node or aggregation of nodes in the ISTS for each Designated ISTS Customer (DIC)

7.1 The declaration and approval of the contracted capacity at each node or aggregation of the nodes in the ISTS for each DIC shall be as per the Sharing Regulations.

8.0 Sharing of Transmission Charges

8.1 The methodology for PoC charges calculation shall be as per Sharing Regulations, read with para -3 of CERC order no. L-1/44/2010-CERC dated 29.06.2011 and any subsequent amendment made thereto.

8.2 All the DICs agree to pay the PoC charges as calculated by the Implementing Agency.

8.3 Point of Connection (PoC) Charges for Long Term Access, Medium Term Open Access and Short Term Open Access

8.3.1 There shall be no differentiation in PoC charges, as determined by the Implementing Agency for the Application Period, among the long-term access, medium-term open access and short-term open access to the ISTS.

8.4 Computation of PoC Charges

8.4.1 The computation of PoC charges shall be as per the Sharing Regulations and any subsequent amendment made thereto.

9.0 Sharing of Other Charges

9.1 Other charges such as license fee, petition filing fee, publication expenses, ULDC charges for non-POSOCO assets, charges for communication systems, EMSS/SCADA charges etc. which are approved by the Commission shall be billed separately by CTU and paid by the respective beneficiaries/DICs as per the terms and conditions specified in the relevant notification(s)/Order(s) issued by the Commission from time to time.

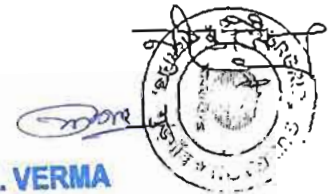
05.09.2014

अनुराग कुमार / Anurag Kumar
अपर महाप्रबंधक (वाणिज्यिक)
C Addl. Manager (Commercial)
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- 12 -

मुकेश कुमार वर्मा / M.K. VERMA
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THDC India Limited, Rishikesh

141



9.2 Any other charges arising out of any adjustments (other than those covered under bill 3), reconciliation etc. shall be billed by CTU and paid to by the respective DICs. The bills shall be raised as and when required.

10.0 Transmission Losses

10.1 The total transmission losses of the ISTS shall be allocated amongst the DICs in accordance with the Sharing Regulations and any subsequent amendments made thereto.

10.2 All the DICs agree to share the transmission losses as calculated by the Implementing Agency.

11.0 Metering and Accounting

11.1 Metering

11.1.1 The installation, operation, maintenance and testing of the Special Energy Meters (SEMs) shall be in accordance with the CEA (Installation and Operations of Meters) Regulations and any subsequent amendments made thereto.

11.1.2 The responsibility for downloading and onward transmission of the metered data of the SEMs from the pre-identified locations shall be as per the Grid Code and any subsequent amendments made thereto.

11.2 Accounting of PoC Charges

11.2.1 Regional Transmission Accounts

11.2.1.1 The Regional Power Committee (RPC) shall issue the Regional Transmission Accounts on the first (1st) Working Day of the month as per the Sharing Regulations, for the previous month to all the DICs, CTU and ISTS Licensees.

11.2.2 Regional Transmission Deviation Accounts

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- 13 -

05-09-2014
अजय कुमार / Ajay Kumar
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General Manager (Commercial)
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ऋषिकेश / Rishikesh

142

11.2.2.1 The RPC shall issue the Regional Transmission Deviation Accounts by fifteenth (15th) day of the month in accordance with the Sharing Regulations.

12.0 Billing, Collection and Disbursement of Transmission Charges

12.1 The DICs and the ISTS Licensees shall abide by the detailed "Billing, Collection and Disbursement Procedure" of CTU, as approved by the Commission and such "Billing Collection and Disbursement Procedure" shall be construed, as part of this Agreement.

12.2 The CTU shall raise bills, collect and disburse in accordance with the detailed "Billing, Collection and Disbursement Procedure".

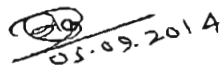
12.3 Each DIC unequivocally agrees to allow CTU to enforce recovery of payment through Letter of Credit on behalf of all the ISTS Licensees in the event of default in payment by the DIC, in accordance with the detailed "Billing, Collection and Disbursement Procedure".

12.4 The DICs also agree and empower the CTU to undertake Regulation of Power Supply, to recover charges under the provisions of CERC (Regulation of Power Supply) Regulations, 2010 and any amendments thereof.

12.5 If payment by a DIC against any invoice raised under Billing, Collection and Disbursement procedure is outstanding beyond thirty (30) days after the due date or in case the required Letter of credit or any other agreed payment security mechanism is not maintained by the DIC, the CTU is empowered to undertake Regulation of Power Supply on behalf of all the ISTS Licensees so as to recover charges under the provisions of CERC (Regulation of Power Supply) Regulations, 2010 and any amendments thereof.

12.6 Payment by DICs

12.6.1 Payment by DICs to the CTU shall be executed through RTGS in accordance with the "Billing, Collection and Disbursement Procedure".


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- 14 -

143


मुकेश कुमार वर्मा / M.K. VERMA
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13.0 Disbursement by CTU to ISTS Licensees

- 13.1 As per the Revenue Sharing Agreement entered into between the CTU and ISTS Licensees, the CTU shall collect PoC charges and thereafter distribute the same to ISTS Licensees in accordance with the detailed "Billing, Collection and Disbursement Procedure".
- 13.2 Delayed payment or partial payment or non-payment of transmission charges in a month by any DIC shall result in pro-rata reduction in the payouts to all the ISTS Licensees and owners of Deemed ISTS.

13.3 Payment by CTU

- 13.3.1 Payment by CTU to all the ISTS Licensees and owners of Deemed ISTS, whose charges have been considered while arriving at PoC, shall be executed through RTGS in accordance with the terms of Revenue Sharing Agreement entered into by and between the CTU and ISTS Licensees.

14.0 Force Majeure

The following terms shall have the meanings given hereunder.

- 14.1 An 'Affected Party' means any of the DICs or the ISTS Licensees whose performance has been adversely affected by an event of Force Majeure.
- 14.2 A 'Force Majeure' means any event or circumstance or combination of events and circumstances including those stated below that wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices:

21/09/2014
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- 15 -

144

मुकेश कुमार वर्मा / M.K. VERMA
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THDC India Limited, Rishikesh

14.2.1 Natural Force Majeure Events

- (a) Act of God, including, but not limited to drought, fire and explosion (to the extent originating from a source external to the Site), earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, or exceptionally adverse weather conditions which are in excess of the statistical measures for the last hundred (100) years,


14.2.2 Non-Natural Force Majeure Events:

(a) Direct Non-Natural Force Majeure Events

- (i) Nationalization or compulsory acquisition by any Indian Governmental Instrumentality of any material assets or rights of any Affected party; or
- (ii) the unlawful, unreasonable or discriminatory revocation of, or refusal to renew, any Consents, Clearances and Permits required by an Affected party to perform its obligations under this Agreement, provided that a Competent Court of Law declares the revocation or refusal to be unlawful, unreasonable and discriminatory and strikes the same down; or
- (iii) any other unlawful, unreasonable or discriminatory action on the part of an Indian Governmental Instrumentality which is directed against the Affected party, provided that a Competent Court of Law declares the action to be unlawful, unreasonable and discriminatory and strikes the same down

(b) Indirect Non - Natural Force Majeure Events

- (i) act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action; or
- (ii) radio active contamination or ionising radiation originating from a


05-09-2014
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- 16 -

145


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source in India or resulting from any other Indirect Non Natural Force Majeure Event mentioned above, excluding circumstances where the source or cause of contamination or radiation is brought or has been brought into or near the Site by the Affected Party or those employed or engaged by the Affected Party; or

- (iii) industry wide strikes and labour disturbances, having a nationwide impact in India

14.3 Force Majeure Exclusions

14.3.1 Force Majeure shall not include (i) any event or circumstance which is within the reasonable control of the Affected Party and (ii) the following conditions, except to the extent that they are consequences of an event of Force Majeure

14.3.2 Delay in the performance of any Contractors or their agents

14.3.3 Non-performance resulting from normal wear and tear typically experienced in transmission materials and equipment

14.3.4 Strikes or labour disturbance at the facilities of the Affected Party

14.3.5 Insufficiency of finances or funds or the Agreement becoming onerous to perform; and

14.3.6 Non-performance caused by, or connected with, the Affected Party's:

- (a) negligent or intentional acts, errors or omissions;
- (b) failure to comply with an Indian Law; or
- (c) breach of, or default under this Agreement

14.4 Notification of Force Majeure Event

14.4.1 The Affected Party shall give notice to the other Party and the CTU of any event

05.09.2014

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- 17 -

146

मुकेश कुमार वर्मा / MUKESH VERMA
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of Force Majeure as soon as practicable, but not later than seven (7) days after the date on which such Party knew or should reasonably have known of the commencement of the event of Force Majeure. If an event of Force Majeure results in a breakdown of communications rendering it unreasonable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as practicable after reinstatement of communications, but not later than one (1) working day after such reinstatement

Provided that such notice shall be a pre-condition to the Affected Party's entitlement to claim relief under this Agreement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed. The Affected Party shall give the other Party and the CTU regular reports on the progress of those remedial measures and such other information as the other Party and the CTU may reasonably request about the Force Majeure.

14.4.2 The Affected Party shall give notice to the other Party and the CTU of (i) the cessation of the relevant event of Force Majeure; and (ii) the cessation of the effects of such event of Force Majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations

14.5 Duty to perform and duty to mitigate

14.5.1 To the extent not prevented by a Force Majeure Event, the Affected Party shall continue to perform its obligations as provided in this Agreement. The Affected Party shall use its efforts to mitigate the effect of any event of Force Majeure as soon as practicable.

14.6 Available Relief for a Force Majeure Event

14.6.1 Subject to this Article 14

14.6.1.1 The Affected Party shall not be in breach of its obligations pursuant to this

05.09.2014

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- 18 -

147

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THDC India Limited, Rishikesh

Agreement except to the extent that the performance of its obligations was prevented, hindered or delayed due to a Force Majeure Event;

14.6.1.2 Each DIC or ISTS Licensee shall be entitled to claim relief for a Force Majeure Event affecting its performance in relation to its obligations under this Agreement;

14.6.1.3 It is clarified that the computation of Availability under outage due to Force Majeure Event shall be in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended from time to time and any subsequent enactment thereof.

15.0 Change in Law

15.1 Change in Law

15.1.1 Change in Law means the occurrence of any of the following after the Effective Date, resulting into any addition/ reduction in the Monthly Transmission Charges, as determined or adopted by the Commission.

15.1.2 the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any Law, including rules and regulations framed pursuant to such Law;

15.1.3 a change in the interpretation or application of any Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law;

15.1.4 the imposition of a requirement for obtaining any Consents, Clearances and Permits which was not required earlier;

15.1.5 a change in the terms and conditions prescribed for obtaining any Consents, Clearances and Permits or the inclusion of any new terms or conditions for obtaining such Consents, Clearances and Permits;

15.1.6 any change in tax or introduction of any tax made applicable for providing

05.09.2014

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- 19 -

148

अपर महाप्रबन्धक (वाणिज्यिक)
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THDC India Limited, Rishikesh

transmission service by the ISTS Licensee, as per the terms of this Agreement;
and

15.2 Notwithstanding anything contained in this Agreement, Change in Law shall not cover any change on account of regulatory measures by the Appropriate Commissions.

15.3 Relief for Change in Law

15.3.1 Any adjustment in the Monthly Transmission Charges on account of Change in Law shall be determined and effective from such date, as decided by the Commission whose decision shall be final and binding on the Parties, subject to rights of appeal provided under applicable Law. Further, in case of ISTS systems awarded through competitive bidding process under section 63 of the Electricity Act, the reference date for determining the implications of Change in law shall be seven (7) days prior to the relevant bid due date for submission of tariff bid.

16.0 Events of Default and Termination


16.1 Event of Default of the ISTS Licensee

16.1.1 The occurrence and continuation of any of the following events shall constitute an ISTS Licensee Event of Default, unless any such ISTS Licensee Event of Default occurs as a result of the DIC Event of Default or a Force Majeure Event:

16.1.2 If the ISTS Licensee:

16.1.2.1 assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to its assets in contravention of the provisions of this Agreement.

16.1.2.2 transfers or novates any of its obligations pursuant to this Agreement, in a


05.09.2014

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रिश्किेश / Rishikesh

- 20 -

149


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manner contrary to the provisions of this Agreement except where such transfer is in pursuance of a Law and

- (a) it does not affect the ability of the transferee to perform, and such transferee has the financial and technical capability to perform, its obligations under this Agreement;
- (b) is to a transferee who assumes such obligations under this Agreement remains effective with respect to the transferee.

16.1.3 If:

16.1.3.1 the ISTS Licensee becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days; or

16.1.3.2 any winding up or bankruptcy or insolvency order is passed against the ISTS Licensee; or

16.1.3.3 the ISTS Licensee goes into liquidation or dissolution or a receiver or any similar officer is appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law,

Provided that a dissolution or liquidation of the ISTS Licensee will not be an ISTS Licensee Event of Default where such dissolution or liquidation of the ISTS Licensee is for the purpose of a merger, consolidation or reorganization with the approval of the CERC as per the provisions of CERC (Procedure, terms and Conditions for grant of Transmission License and other related matters) Regulations, 2006, and any amendment made thereof; or

16.1.4 Revocation of the transmission license of the ISTS Licensee; or

16.1.5 The ISTS Licensee fails to achieve monthly target availability, as specified in CERC (Standards of performance of ISTS Licensees) Draft Regulations, 2010

(effective from the date of Notification of Final Regulations), for a period of six

05.09.2014

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- 21 -

156

मुकुंश कुमार वर्मा / M.K. VERMA
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THDC India Limited, Rishikesh

(6) consecutive months or for a non-consecutive period of six (6) months within any continuous aggregate period of eighteen (18) months except where the Availability is affected by Force Majeure Events as per Article 14; or

16.1.6 Any of the representations and warranties made by the ISTS Licensee in Article 19.2.1 of this Agreement being found to be untrue or inaccurate; or

16.1.7 The ISTS Licensee fails to comply with the prevailing regulations including the Indian Electricity Grid Code or is in material breach of this Agreement and such material breach is not rectified by the ISTS Licensee within thirty (30) days of receipt of notice in this regard from the concerned DIC or the CTU.

16.2 Event of Default of a DIC

16.2.1 The occurrence and continuation of any of the following events shall constitute a DIC Event of Default, unless any such DIC Event of Default occurs as a result of the ISTS Licensee Event of Default or a Force Majeure Event:

16.2.1.1 A DIC fails to comply with the prevailing regulations including the Indian Electricity Grid Code or is in material breach of this Agreement and such material breach is not rectified by the said DIC within thirty (30) days of receipt of notice in this regard from the concerned ISTS Licensee or the CTU;

16.2.1.2 Any of the representations and warranties made by the DIC in Article 19.1.1 of this Agreement being found to be untrue or inaccurate; or

16.2.1.3 If

(a) a DIC becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days; or

(b) any winding up or bankruptcy or insolvency order is passed against a DIC; or

319
05.09.2014

अजय कुमार / Ajay Kumar
जनरल मैनेजर (वाणिज्यिक) / (Commercial)
टीएचडीसी इंडिया लिमिटेड, रीशिकेश / THDC India Ltd.
रिश्किश / Rishikesh

- 22 -

151

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक) /
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, रीशिकेश
THDC India Limited, Rishikesh

- (c) a DIC goes into liquidation or dissolution or a receiver or any similar officer is appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law,

Provided that it shall not constitute a DIC Event of Default where such dissolution or liquidation of such DIC is for the purpose of a merger consolidation or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement, similar to such DIC and expressly assumes all obligations of such DIC under this Agreement and is in a position to perform them.

16.3 Cessation of ISTS Licensee being Party to this Agreement

16.3.1 Upon the occurrence and continuance of the ISTS Licensee Event of Default under Article 16.1, the CTU shall serve notice on the concerned ISTS Licensee, with a copy to the Commission, which shall specify in reasonable detail, the circumstances giving rise to such notice.

16.3.2 Following the issue of such notice, as mentioned in Article 16.3.1, the Consultation Period shall apply and CTU and the concerned ISTS Licensee discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.

16.3.3 During the Consultation Period, the ISTS Licensee shall, save as otherwise provided in this Agreement, continue to perform its obligations under this Agreement, and it shall not remove any material or equipment, without prior consent of the CTU.

16.3.4 Following the expiry of the Consultation Period, unless the CTU and the concerned ISTS Licensee shall have otherwise agreed to the contrary or the circumstances giving rise to such notice as mentioned in Article 16.3.1 shall have ceased to exist or shall have been remedied, the concerned ISTS Licensee shall cease to be a Party to this Agreement and the CTU shall issue a written notice ("Termination Notice") of thirty (30) days to this effect with a copy to the Commission and Implementing Agency. Unless the Lenders of the concerned ISTS Licensee have exercised their rights of substitution as per the:

213
05.09.2014

अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.
रिश्किश / Rishikesh

- 23 -

152

मुकुंश कुमर वरु
अपर महाप्रबन्धक
रिश्किश

मुकुंश कुमर वरु / M.K. VERMA
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, रिश्किश
THDC India Limited, Rishikesh

provisions of Article 17.3 of this Agreement and the Commission has agreed to such substitution rights of the Lenders or otherwise directed by the Commission, the concerned ISTS Licensee shall cease to be a Party to this Agreement on the date of expiry of the Termination Notice. Thereupon, the CTU shall approach the CERC seeking revocation of the transmission license as per the provisions of the Electricity Act, 2003.

16.4 Cessation of DIC being Party to this Agreement

16.4.1 Upon the occurrence and continuance of a DIC Event of Default under Article 16.2, the CTU may serve notice on the concerned DIC, with a copy to the CERC, which shall specify in reasonable detail, the circumstances giving rise to such Notice.

16.4.2 Following the issue of such notice, as mentioned in Article 16.4.1, the Consultation Period shall apply and CTU and the concerned DIC discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.


16.4.3 During the Consultation Period, the DIC shall, save as otherwise provided in this Agreement, continue to perform its obligations under this Agreement.

16.4.4 Following the expiry of the Consultation Period, unless the CTU and the concerned DIC shall have otherwise agreed to the contrary or the circumstances giving rise to such notice as mentioned in Article 16.4.1 shall have ceased to exist or shall have been remedied, the concerned DIC shall cease to be a Party to this Agreement and the CTU shall issue a written notice ("Termination Notice") of thirty (30) days to this effect with a copy to the Commission and Implementing Agency. The concerned DIC shall cease to be a Party to this Agreement on the date of expiry of the Termination Notice

17.0 Assignments and Charges

17.1 Assignments

17.1.1 This Agreement shall be binding upon, and inure to the benefit of the Parties and


05.09.2014
अजय कुमार / Ajay Kumar
सहायक (वाणिज्यिक)
General Manager (Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.
रिश्किश / Rishikesh

- 24 -

153


मुकेश कुमार वर्मा / M.K. VERMA
अपर महासहायक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, रिश्किश
THDC India Limited, Rishikesh

their respective successors and permitted assigns. This Agreement shall not be assigned by any Party, except as provided in Article 17.2.4.

17.2 Permitted Charges

17.2.1 Any ISTS Licensee shall not create or permit to subsist any encumbrance over all or any of its rights and benefits under this Agreement except as permitted in this Agreement.

17.2.2 Any ISTS Licensee may create any encumbrance over all or part of the receivables or its transmission assets in favour of the Lenders or the Lenders' Representative on their behalf, as security for amounts payable under the Financing Agreements.

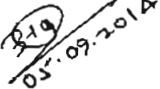
Provided that:

- (a) the Lenders or the Lenders' Representative on their behalf shall have entered into the Financing Agreements; and
- (b) any encumbrance granted by an ISTS Licensee in accordance with this Article 17.2.2 shall contain provisions pursuant to which the Lenders or the Lender's Representative on their behalf agrees unconditionally with the ISTS Licensee to release from such encumbrances upon payment by the ISTS Licensee to the Lenders of all amounts due under the Financing Agreements.

17.2.3 Article 17.2.1 does not apply to:

17.2.3.1 liens arising by operation of law (or by an agreement evidencing the same) in the ordinary course of provision of transmission services by an ISTS Licensee; or

17.2.3.2 pledges of goods, the related documents of title and / or other related documents, arising or created in the ordinary course of provision of transmission services for raising working capital loans by an ISTS Licensee; or


अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.
रिश्किश / Rishikesh

- 25 -

154


मुकेश कुमार वर्मा, M.K. VERMA
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, रिश्किश
THDC India Limited, Rishikesh

17.2.3.3 security arising out of retention of title provisions in relation to goods acquired in the ordinary course of provision of transmission services by an ISTS Licensee.

17.2.4 Neither any ISTS Licensee nor any DIC can relinquish or transfer its rights and obligations, without prior approval of the Commission, save when such encumbrance is created under Clause 17.2.2.

17.3 Substitution Rights of the Lenders of ISTS Licensee

17.3.1 An ISTS Licensee shall operate and maintain its transmission assets under the provisions of its transmission license granted by the Commission and the provisions of this Agreement and can not assign the transmission license or transfer its transmission assets or part thereof to any person by sale, lease, exchange or otherwise, without the prior approval of the Commission.

17.3.2 However, in the case of default by the ISTS Licensee in debt repayments, the Commission may, on an application from the Lenders, assign the transmission license to the nominee of the Lenders subject to the fulfillment of the qualification requirements and provisions of the CERC (Procedure, terms and Conditions for grant of Transmission License and other related matters) Regulations, and any subsequent amendments made there to.

18.0 Governing Law and Dispute Resolution

18.1 Governing Law

18.1.1 This Agreement shall be governed by and construed in accordance with the Laws of India. Any legal proceedings in respect of any matters, claims or disputes under this Agreement shall be under the jurisdiction of appropriate courts in New Delhi.

18.2 Amicable Settlement:

18.2.1 A DIC, ISTS Licensee or CTU is entitled to raise any claim, dispute or

39
05.09.2014

अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.
ऋषिकेश / Rishikesh

- 26 -

155

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

difference of whatever nature arising under, out of or in connection with this Agreement by giving a written notice to the other Party, which shall contain:

- (a) a description of the Dispute;
- (b) the grounds for such Dispute; and
- (c) all written material in support of its claim.

18.2.2 The Party against which the Dispute has been raised ("Party in Dispute") shall, within thirty (30) days of issue of notice issued under Article 18.2.1, furnish:

- (a) counter-claim and defenses, if any, regarding the Dispute; and
- (b) all written material in support of its defenses and counter-claim.

18.2.3 Within thirty (30) days of issue of notice by the Party pursuant to Article 18.2.1 if the Party in Dispute does not furnish any counter claim or defense under Article 18.2.2, or thirty (30) days from the date of furnishing counter claims or defense by the other Party, both the Parties to the Dispute shall meet to settle such Dispute amicably. If the Parties fail to resolve the Dispute amicably within thirty (30) days from the later of the dates mentioned in this Article 18.2.3, the Dispute shall be referred for dispute resolution in accordance with Article 18.3.

18.2.4 The CTU may involve the concerned ISTS Licensee or the concerned DIC in case the dispute is originated due to actions/ performance of such ISTS Licensee or DIC. The ISTS Licensees and the DICs are obligated to provide any support that the CTU may require in that regard.

18.3 Dispute Resolution

18.3.1 Where any Dispute arises from a claim made by any Party regarding any provisions of this Agreement, such Dispute shall be submitted for adjudication by the CERC.

18.3.2 The obligations of the DICs under this Agreement towards the CTU or ISTS Licensees shall not be affected in any manner by reason of inter-se disputes amongst the DICs or ISTS Licensees.

310
05.09.2019

अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.
ऋषिकेश / Rishikesh

- 27 -

156

मुकेश कुमार वर्मा, M.K. VERMA
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

18.3.3 Where any dispute is directed by CERC to be determined by Arbitration, the matter shall be determined by such persons as the CERC may nominate in that behalf on the application of the Party. In respect of all other purpose of the Arbitration proceeding, the provisions of Arbitration and Conciliation Act, 1996 shall be applicable.

18.3.3.1 The place of Arbitration shall be New Delhi. The language of the Arbitration shall be English.

18.3.3.2 Courts at New Delhi shall have exclusive jurisdiction.

18.4 Continuity in Performance of Obligations

18.4.1 Notwithstanding the existence of any Dispute and difference referred to the Commission or the Arbitration Tribunal, as provided in Article 18.3 and save as the Commission or the Arbitration Tribunal may otherwise direct by a final or interim order, the Party who raised the Dispute pursuant to Article 18.2.1 and the Party in Dispute hereto shall continue to perform their respective obligations (which are not in dispute) under this Agreement.

19.0 Representations and Warranties

19.1 Representation and warranties of the DICs

19.1.1 Each DIC hereby represents and warrants to and agrees with the CTU and the ISTS Licensees as follows and acknowledges and confirms that the CTU and the ISTS Licensees are relying on such representations and warranties in connection with the transactions described in this Agreement:

19.1.1.1 It has all requisite powers and has been duly authorized to execute and consummate this Agreement;

19.1.1.2 This Agreement is enforceable against the DIC in accordance with its terms;

19.1.1.3 The consummation of the transactions contemplated by this Agreement on the part of DIC will not violate any provision of nor constitute a default under, nor give rise to a power to cancel any

3-19
05.09.2014

अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.
रिश्किश / Rishikesh

- 28 -

157

मुकेश कुमार चर्मा / M.K. VERMA
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, रिश्किश
THDC India Limited, Rishikesh

charter, mortgage, deed of trust or lien, lease, agreement, license permit, evidence of indebtedness, restriction, or other contract to which the DIC is a party or to which the DIC is bound, which violation, default or power has not been waived;

19.1.1.4 The DIC is not insolvent and no insolvency proceedings have been instituted, nor threatened in writing or pending by or against the DIC; and

19.1.1.5 There are no actions, suits, claims, proceedings or investigations pending or, to the best of the DIC's knowledge, threatened in writing against the DIC at law, in equity, or otherwise, and whether civil or criminal in nature before or by, any court, commission, arbitrator or governmental agency or authority, and there are no outstanding judgements, decrees or orders of any such courts, commission, arbitrator or governmental agencies or authorities, which materially and adversely affect its ability to comply with its obligations under this Agreement.

19.1.2 Each of the DICs makes all the representations and warranties above to be valid as on the date of this Agreement.


19.2 Representation and warranties of the ISTS Licensees:

19.2.1 Each ISTS Licensee hereby represents and warrants to and agrees with the CTU and the DICs as follows and acknowledges and confirms that the DICs are relying on such representations and warranties in connection with the transactions described in this Agreement:

19.2.1.1 It has all requisite powers and has been duly authorized to execute and consummate this Agreement;

19.2.1.2 This Agreement is enforceable against the ISTS Licensee in accordance with its terms;

19.2.1.3 The consummation of the transactions contemplated by this Agreement on the part of the ISTS Licensee will not violate any provision of nor constitute a default under, nor give rise to a power to cancel, any


05.09.2014

अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial) - 29 -
टीएचडीसी इंडिया लि. / THDC India Ltd.
ऋषिकेश / Rishikesh

(158)


अजय कुमार वर्मा / Ajay Kumar Verma
अधीनस्थ महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

charter, mortgage, deed of trust or lien, lease, agreement, license, permit, evidence of indebtedness, restriction, or other contract to which the ISTS Licensee is a party or to which the ISTS Licensee is bound which violation, default or power has not been waived;

19.2.1.4 The ISTS Licensee is not insolvent and no insolvency proceedings have been instituted, nor threatened or pending by or against the ISTS Licensee; and


19.2.1.5 There are no actions, suits, claims, proceedings or investigations pending or, to the best of the ISTS Licensee's knowledge, threatened in writing against the ISTS Licensee at law, in equity, or otherwise, and whether civil or criminal in nature, before or by, any court, commission, arbitrator or governmental agency or authority, and there are no outstanding judgments, decrees or orders of any such courts, commission, arbitrator or governmental agencies or authorities, which materially adversely affect its ability to comply with its obligations under this Agreement.

19.2.2 Each of the ISTS Licensees makes all the representations and warranties above to be valid as on the date of this Agreement.

20.0 Indemnification

20.1 Indemnification by the DICs and ISTS Licensees

20.1.1 The DICs and ISTS Licensees agree to indemnify and hold the CTU harmless from and against any and all damages, losses, liabilities, obligations, claims of any kind including any tax liability, interest, cost, fee, or expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Losses"), suffered, incurred or paid, directly, as a result of, in connection with or arising out of exercise of CTU's obligations of billing and collection of transmission charges on behalf of ISTS Licensees pursuant to and in accordance with this Agreement.


05.09.2014
अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.
ऋषिकेश / Rishikesh

- 30 -

159


मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

20.2 Indemnity to Survive Termination

20.2.1 The obligations of the DICs and ISTS Licensees under Clause 20.0 shall survive the termination of this Agreement.

INWITNESS WHEREOF THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR DULY AUTHORISED REPRESENTATIVE AS OF THE DATE AND PLACE AS HEREIN AFTER APPEARING

WITNESS:

Signature: Jasbir Singh
Name: जसवीर सिंह
Designation: **Jasbir Singh**
अप महाप्रबन्धक (वाणिज्यिक)
Address: **Dy. General Manager (Commercial)**

For and on behalf of Power Grid Corporation of India Ltd. (Central Transmission Utility) on.....
Signature: N.K. Jaiswal
Name: नीलम कांत जैन
Designation: **N.K. Jaiswal**
महाप्रबन्धक (वाणिज्यिक)
Address :

Signature: Manoj Kumar 05.09.2014
Name: **मनोज कुमार दशगुप्ता**
Designation: **अप महाप्रबन्धक (वाणिज्यिक)**
Dy. General Manager (Commercial)
Address : टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

For and on behalf of THDC India Limited on 05th September 2014
Signature: Ajay Kumar 05.09.2014
Name:
Designation: **अजय कुमार / Ajay Kumar**
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
Address : टीएचडीसी इंडिया लि. / THDC India Ltd.
ऋषिकेश / Rishikesh

160

Signature: M.K. Verma
मुकेश कुमार वर्मा / M.K. VERMA
अप महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

Schedule - I

1.1 Parties to the Agreement:

S. No.	Name	Category (ISGS/ STU/ SEB/ Bulk Consumer, etc)	Address of Registered Office	Telephone/ Mobile No./ e-mail/ FAX
1	THDC India Limited	ISGS	Bhagirathi Bhawan, Bhagirathipuram, Tehri Garhwal - 249 001 (Uttarakhand)	Tel.:- 0135-2431945 Mob.: 09411101354 Email:thdc_commercial@yahoo.com Fax No : 0135 2439401
2	Power Grid Corporation of India Ltd.	CTU	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016	Tel.-0124-2571962 Mob.-09810281063 Email- sgupta@powergridindia.com Fax-0124-2571989


1.2 List of Designated ISTS Customers (DICs):

List of DICs who have signed TSA shall be notified on the website of POWERGRID for the information of all concerned.

1.3 List of ISTS Licensees:

List of ISTS Licensees who have signed TSA shall be notified on the website of POWERGRID for the information of all concerned.

1.4 Non-ISTS Licensee whose assets have been certified as being used for inter-State transmission by the RPCs.


05.09.2014

अजय कुमार / Ajay Kumar
(व्यवसायिक)
(Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.
ऋषिकेश / Rishikesh

- 32 -

161


मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (व्यवसायिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

List of Non-ISTS Licensees whose assets have been certified as being used for inter-State transmission by RPCs and who have signed TSA shall be notified on the website of POWERGRID for the information of all concerned.

NOTE : The above lists shall be updated on quarterly basis.

Schedule - II

1.0 Description of Transmission System

1.1 Existing Transmission System


The List of existing assets is displayed at the website of POWERGRID. This list gets updated on half yearly basis.

1.2 Deemed ISTS

List of assets owned by deemed ISTS is displayed at the website of POWERGRID. This list gets updated on half yearly basis at present.

1.3 ISTS Schemes under execution or New ISTS Schemes (to be inserted as and when developed)

A number of ISTS schemes are under execution and new ISTS schemes are under development stage, in line with the provisions of Regulation. On commissioning of such assets these will be included in the list of 1.1).


05.09.2014
अजय कुमार / Ajay Kumar
महाप्रबन्धक (वाणिज्यिक)
General Manager (Commercial)
टीएचडीसी इंडिया लि. / THDC India Ltd.
ऋषिकेश / Rishikesh

- 33 -

162



मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

THDC India Ltd.

- REVIEW PETITIONER

VERSUS

Punjab State Power Corporation Limited and Ors.

- RESPONDENTS

AFFIDAVIT

I, Mukesh Kumar Verma, Son of Late Shri Ram Krishna Verma, aged about 56 years, working as Addl. General Manager (Commercial), in THDC India Limited, the Respondent in the above matter do solemnly affirm and state as under:

1. That, I am working as Addl. General Manager (Commercial) in THDC India Limited, the Respondent and I am conversant with the facts in the above matter.

2. I say that I have read the reply and have understood the contents of the same. I say that the contents thereof are based on the information available with the Respondent in the normal course of business and believed by me to be true.

3. I say that the annexures attached to the reply are true and correct copies of their originals.

VERIFICATION

I, the deponent above named do hereby verify that the contents of my above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

Verified at Rishikesh on this day of Oct' 2022.

his affidavit signed
by Mukesh Verma
who is identified by
in dated 10/10/22 164


DEPONENT
मुकेश कुमार वर्मा / **M.K. VERMA**
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश


DEPONENT
मुकेश कुमार वर्मा / **M.K. VERMA**
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

PROOF OF DISPATCH

Intimation regarding filing of Review Petition has been sent through e-mail.



(Mukesh Kumar Verma)

Addl. General Manager (Commercial)

THDC India Ltd., Rishikesh

मुकेश कुमार वर्मा / M.K. VERMA
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
टीएचडीसी इंडिया लिमिटेड, ऋषिकेश
THDC India Limited, Rishikesh

163