ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. OA-313/19-20

IN REGARD TO THE APPLICATION SUBMITTED BY THE WEST BENGAL
STATE ELECTRICITY TRANSMISSION COMPANY LIMITED (WBSETCL)
FOR APPROVAL OF INCURRING CAPITAL EXPENDITURE OF AN
ESTIMATED AMOUNT OF RS. 33290.60 LAKH FOR IMPLEMENTATION
OF 5 NO NEW TRANSMISSION SCHEMES IN TERMS OF REGULATION
2.8.2.3 AND PARAGRAPH 4.1 (VI) OF SCHEDULE-2 OF THE WEST
BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND
CONDITIONS OF TARIFF) REGULATIONS, 2011, AS AMENDED.

PRESENT:
SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI DURGADAS GOSWAMI, MEMBER
SRI PULAK KUMAR TEWARI, MEMBER

DATE: 08.06.2020

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Approval of incurring capital expenditure by West Bengal State Electricity Transmission Company Limited for implementation of 5 no new transmission schemes in terms of regulation 2.8.2.3 and paragraph 4.1 (vi) of Schedule - 2 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.

Facts in brief:

1.0 West Bengal State Electricity Transmission Company Limited (in short ‘WBSETCL’) submitted a petition vide letter dated 30.09.2019 for approval of incurring capital expenditure of an estimated cost of Rs. 33290.60 Lakh for implementation of 5 nos. new transmission scheme covered under paragraph 2.0 below in terms of regulation 2.8.2.3 and paragraph 4.1 (vi) of Schedule – 2 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (in short ‘Tariff Regulations’). The petition has been marked in Case No. OA-313/19-20.

2.0 In their petition WBSETCL submitted DPR for each of the five (5) schemes. Brief descriptions of the schemes are as follows:

A) Up-gradation of Belmuri 132/33 kV substation to 220/132/33 kV by construction of 220 kV Gas Insulated Substation (GIS) and associated transmission system (ATS):

WBSETCL has proposed for upgradation of existing Belmuri 132/33 kV substation in the Hooghly district of West Bengal to 220/132/33 kV substation with 2x160 MVA 220/132 kV Transformers, 220 kV GIS module for two (2) numbers of feeders, two (2) numbers of transformers and one (1) number of Bus Coupler and two (2) numbers of 132 kV AIS Transformer bays along with construction of LILO of 220 kV Arambag – Rishra (New Chanditala) S/c line at proposed Belmuri 220 kV substation.

WBSETCL submitted that, 132 kV Adisaptagram, Belmuri and Tarakeswar substations are facing great crisis due to source constraint as presently only one 215 MW generator is operating at BTPS. During low or no generation at BTPS all these three sub-stations become reliant on Arambag source through 132 kV D/C line. Upgradation of Belmuri 132 kV substation to 220 kV will provide an alternative source and improve the reliability.
Approval of incurring capital expenditure by West Bengal State Electricity Transmission Company Limited for implementation of 5 new transmission schemes in terms of regulation 2.8.2.3 and paragraph 4.1 (vi) of Schedule - 2 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.

WBSETCL submitted that for establishment of the substation no land is required to be acquired as it will be constructed within the vacant space available within Belmuri 132/33 kV sub-station of WBSETCL.

B) Establishment of Ramganga 132/33 kV Gas Insulated Substation (GIS) and associated transmission system (ATS):

WBSETCL has proposed for establishment of new 132/33 kV GIS at Ramganga under P.S Pathar Pratima in the South 24 Parganas district of West Bengal with 2x31.5 MVA 132/33 kV Transformers, 132 kV GIS Module for four (4) numbers of 132 kV Feeders, two (2) numbers of 132 kV Transformers, one (1) number of 132 kV Bus Coupler, two (2) 33 kV Main Bus Indoor GIS type switchgear assembly with VCB interrupter for eight (8) numbers of 33 kV feeder bays, two (2) numbers of 33 kV 10 MVAR Capacitor Bank, construction of 132 kV D/c Transmission Line from Lakhshmikantapur 220 kV substation to proposed Ramganga 132 kV GIS and 132 kV D/c Transmission line from Kakdwip 132 kV substation to proposed Ramganga 132 kV GIS along with extension of two (2) numbers of 132 kV bays each at Lakhshmikantapur 220 kV substation and Kakdwip 132 kV substations.

Ramganga 132/33 kV GIS was contemplated to supply adequate, reliable and quality power to Pathar Pratima (Raidighi), Achintanagar and Dakshin Shibganj 33 kV sub-stations of WBSEDCL and to cope up with future load growth in these areas. At present these sub-stations are fed through heavily loaded long 33 kV lines and facing acute low voltage problem.

WBSETCL submitted that for establishment of 132 kV GIS at Ramnagar, a piece of 1.30 acres of Government land has already been demarcated at Mouza Indraprastha and Dakshin Shibganj, PS Pathar Pratima and processed for long term settlement.
Approval of incurring capital expenditure by West Bengal State Electricity Transmission Company Limited for implementation of 5 new transmission schemes in terms of regulation 2.8.2.3 and paragraph 4.1 (vi) of Schedule - 2 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.

C) Establishment of Birlapur 132/33 kV Gas Insulated Substation (GIS) and associated transmission system (ATS):

WBSETCL has proposed for establishment of new 132/33 kV GIS at Birlapur under P.S. Budge Budge in the South 24 Parganas district of West Bengal with 2x50 MVA 132/33 kV transformers, two (2) numbers of 132 kV Feeder bays, twelve (12) numbers of 33 kV feeder bays (with Indoor VCB) along with construction of 132 kV D/c Baruipur - Birlapur Transmission line and extension of two (2) numbers of 132 kV GIS bays at on-going Baruipur 220 kV GIS.

Birlapur 132/33 kV GIS was contemplated to supply adequate, reliable and quality power to Deulberia, Birlapur and Paita 33 kV sub-stations of WBSEDCL and to cope up with future load growth in these areas. At present these sub-stations are fed through heavily loaded long 33 kV lines and facing acute low voltage problem.

WBSETCL submitted that 132 kV GIS at Birlapur will be constructed at the available space at Birlapur 33/11 kV substation of WBSEDCL. Competent authority of WBSEDCL has already instructed the Regional Manager of 24 Paraganas South to handover the permissive possession of said land to WBSETCL.

D) Up-gradation of Hasimara 66/33/11 kV substation to 132/66/33/11 kV substation and associated transmission system (ATS):

WBSETCL has proposed for upgradation of Hasimara 66 kv sub-station at Hasimara in Alipurduar District of West Bengal to 132 kV with installation of 2x35.1 MVA 132/66 kV transformers in group control, 2x35.1 MVA 132/33 kV Transformers in group control, two (2) numbers of 132 kV Feeder bays, 2x10 MVA 33/11 kV transformers, six (6) numbers of 33 kV feeder bays (with Outdoor VCB) along with extension of 132 kV D/c Birpara - Hasimara Transmission Line and extension of two (2) numbers of 132 kV AIS Feeder bays at Birpara 132 kV substation.
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Upgradation of Hasimara 66 kV sub-station was contemplated to meet the growing load demand and to improve the quality and reliability of power in and around Hasimara, Joigaon, Madarihat & Hamiltonganj area.

WBSETCL submitted that for establishment of 132 kV GIS at Hasimara no land is required to be acquired as it will be constructed at the available vacant space within Hasimara 66/11 kV substation of WBSETCL.

E) Construction of two (2) number of 132/33 kV Transformer bay with 2x50 MVA 132/33 kV Transformer at Sagardighi 220 kV Gas Insulated Substation (GIS):

WBSETCL has proposed for establishment of 2x50 MVA 132/33 kV Transformers at New Sagardighi 220/132 kV GIS in Murshidabad District of West Bengal along with construction of two (2) numbers of GIS Transformer Bays, two (2) numbers of 33 kV Indoor VCB for Transformers, connectivity of transformers with 132 kV GIS Bay with Bus duct and connectivity of transformers with 33 kV VCB with cable.

WBSETCL submitted that, initially Sagardighi 220 kV sub-station was contemplated upto 132 kV level. Now, commissioning of 132/33 kV transformers are proposed to provide reliable and quality power in and around Sagardighi, Manigram, Nabagram and Jangipur Mega Food park 33/11 kV substations of WBSEDCL and expected load growth in those areas.

WBSETCL submitted that for installation of transformers at Sagardighi 220 kV GIS no land is required to be procured.

3.0 It is stated by WBSETCL that the administrative approval of the above schemes has been accorded in different meetings of Board of Directors (BoD) of WBSETCL, the details of which are as follows:

i) Belmuri 220 kV GIS & ATS in 64th meeting of BoD held on 26.07.2018.

ii) Ramganga 132/33 kV GIS & ATS in 68th meeting of BoD held on 10.05.2019.

iii) Birlapur 132/33 kV GIS & ATS in 66th meeting of BoD held on 14.11.2018.

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iv) Hasimara 132/66/33/11 kV Substation & ATS in 65th meeting of BoD held on 27.09.2018.
v) Installation of 132/33 kV Transformers at Sagardighi 220 kV GIS in 39th meeting of Board Committee held on 26.07.2018.

4.0 The project cost, as submitted by WBSETCL for each of the schemes, covered under paragraph 2.0 above are tabulated as under:

<table>
<thead>
<tr>
<th>SL No</th>
<th>Description</th>
<th>Project Cost (Rs. In Lakh)</th>
<th>Supervision Charge</th>
<th>IDC</th>
<th>Total Project Cost (Rs. In Lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up gradation of Belmuri 132/33 kV Substation to 220/132/33 kV Substation and associated transmission system</td>
<td>5046.65</td>
<td>756.99</td>
<td>219.81</td>
<td>6023.45</td>
</tr>
<tr>
<td>2</td>
<td>Construction of Ramganga 132/33 kV GIS along with construction of 2 nos. of bays each at Kakdweep and Lakshmikanatapur and associated transmission system</td>
<td>10039.47</td>
<td>1505.92</td>
<td>1297.35</td>
<td>12842.74</td>
</tr>
<tr>
<td>3</td>
<td>Construction of Birlapur 132/33 kV GIS along with construction of 2 nos. of bays at Baruipur and associated transmission system</td>
<td>6258.48</td>
<td>938.78</td>
<td>495.86</td>
<td>7693.12</td>
</tr>
<tr>
<td>4</td>
<td>Up gradation of Hasimara 66/33/11 kV Substation to 132/66/33/11 kV Substation along with 2 nos. of bays at Birpara and associated transmission system</td>
<td>4397.59</td>
<td>659.64</td>
<td>440.88</td>
<td>5498.11</td>
</tr>
<tr>
<td>5</td>
<td>Construction of 2 nos. of 132/33 kV Transformer Bays with 2x50 MVA 132/33 kV Transformer at Sagardighi 220 kV GIS</td>
<td>997.95</td>
<td>149.69</td>
<td>85.54</td>
<td>1233.18</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>33290.60</strong></td>
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It was also submitted that the projects are proposed to be funded through WBSETCL's Internal Resources and through domestic borrowings. The equity component (30%) is proposed to be met through Internal Resources and the loan component (70%) through domestic borrowings from any Financial Institute and the equity component being released simultaneously with the loan component. The target beneficiary of the projects is WBSEDCL.

5.0 WBSETCL vide letter dated 01.11.2019 further submitted that the projects were contemplated to meet up the growing load demand in the vicinity and to maintain reliable and quality power supply and accordingly tender for these projects has been published and subsequently LOA has been placed to complete these projects in time and to meet-up the constraint faced by the distribution utilities to maintain power supply at their jurisdiction. WBSETCL in their letter also mentioned that, due to misunderstanding, the work of some of

West Bengal Electricity Regulatory Commission
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the transmission projects under the petition has been already started on the basis of approval of Board of Directors of the Company. However, WBSETCL has already issued instruction to all directorates to start work of such type of transmission project in future only after approval of the Commission. WBSETCL also requested to accord approval of the projects.

6.0 The Commission admitted the petition on 06.02.2020 and directed WBSETCL to publish the gist of their petition as approved by the Commission in the newspapers as per requirement of regulation 2.8.2.3 of the Tariff Regulations. WBSETCL accordingly published the gist of the petition in (i) the Bartaman (ii) the Times of India and (iii) the Aajkal on 11.02.2020 inviting suggestions and objections on their petition within 14 days (including the date of publication) of publication of the notice in Newspaper. No suggestion and objection were received by the Commission within the stipulated time-period.

7.0 Subsequently, WBSETCL vide letter no. CE/CPD/WBERC/84 dated 06.03.2020 and email dated 11.05.2020 submitted some additional clarifications along with relevant documents. In their letter WBSETCL, inter alia, submitted the following:

7.1 In the meeting held on 31.01.2018 at the office of the Regional Manager, South 24 Paraganas, WBSEDCL has pointed the low voltage issue in the vicinity and the requirement of 132 kV substation at Ramganga (under Kakdwip Division) and Birlapur (under Behala Division). CMD, WBSEDCL has also prioritized the establishment of Ramganga 132 kV substation in a meeting held on 29.01.2019 to review Annual Plan and Perspective Plan of WBSETCL. WBSETCL submitted copies of the minutes of the meeting.

7.2 WBSETCL submitted that the Birlapur 132 kV GIS is being constructed within the vacant space available at Birlapur 33/11 kV substation of WBSEDCL and execution of these project was initiated after obtaining the permissive possession from WBSEDCL due to urgent requirement of the beneficiary (WBSEDCL). WBSETCL also submitted that the process has already been taken to finalize the modality of formal transfer of lands from WBSEDCL to

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WBSETCL confirming the Regulation 5.11.3 of West Bengal Electricity Regulatory Commission (Licensing and Conditions of License) Regulations, 2013.

7.3 WBSETCL submitted that for establishment of the Ramganga 132 kV substation a piece of 1.30 acres of Government land is available at Mouza Indraprastha and Dakshin Shibganj, P.S. Pathar Pratima. Long term settlement (LTS) (lease basis) order has already been issued on 09.01.2020. The amount of Salami for the said land is Rs. 52,59,640/- and annual rent is Rs. 16609/-. WBSETCL submitted a copy of the LTS order.

7.4 WBSETCL also submitted detailed SLD of the all the substations.

7.5 WBSETCL vide email dated 11.05.2020 submitted that during submission of the petition the cost of Salami and lease rent was not considered due to non-finalization of the said cost as the LTS order of land to establish 132 kV GIS at Ramganga was issued by Dy. Secretary, L&LR Department, Govt. of West Bengal on 09.01.2020. WBSETCL also requested to consider the cost of salami amounting to Rs. 52.60 Lakh for the investment approval. WBSETCL also stated that permissive possession of 2.3462 acre of land was taken from WBSEDCL on 16.04.2019 for construction of 220 kV GIS at Sagardighi. Now, extension of the said substation by installation of 132/33 kV Transformers is being taken up within the same land and no additional land is being acquired for implementation of the project.

Observations of the Commission:

8.0 The Commission observes that, in terms of Regulation 2.8.2.3 of Tariff Regulations, approval of the Commission for investment in new transmission project is mandatory after 31.12.2007. The Commission also observes that the regulation inter-alia specifies approval of the project shall be taken before investment is made in order to minimize the investment risk. The Commission also noted that the projects submitted in the petition have been considered in the perspective plan submitted by WBSETCL along with their Multi Year Tariff Application for the 6th Control Period for the years 2018 – 19 and 2019 – 20.

9.0 The Commission observes that, in terms of regulation 2.8.2.3 of the Tariff Regulations prior approval is suggested, whereas work of some of the transmission projects included in this...
petition has already been started. In this regard WBSETCL vide letter dated 1.11.2019 WBSETCL submitted that due to misunderstanding the work of some of the transmission projects under this petition has already been started and mentioned that, WBSETCL has issued instructions to all its directorates to start such works in future only after obtaining approval of the Commission. The Commission decides to consider the prayer of the applicant for this time.

10.0 The Commission further observes from the LTS order dated 09.01.2020 that the cost of salami amounting to Rs. 52.60 Lakh for 1.30 acres of Government vested land for establishment of Ramganga 132 kV GIS is Rs. 52.60 Lakhs has not been included in the project cost. The Commission is of the view that the cost of salami is to be paid by WBSETCL and should be considered in the project cost. Thus, the admitted project cost excluding supervision charges and IDC becomes Rs. 10092.07 Lakh (= 10039.47 lakh + 52.60 lakh).

11.0 The Commission also observes that for upgradation of Belmuri and Hasimara Substation, no land is required as it will be constructed in the vacant space of existing substations of WBSETCL. Birlapur 132 kV GIS is being constructed within the vacant space available at Birlapur 33/11 kV substation of WBSEDCL after obtaining permissive possession from WBSEDCL. Further, construction of 2 nos. of Transformer Bays along with installation of 132/33 kV Transformers is done within the same land where construction of 220 kV GIS at Sagardighi is taken up and thus no additional land is being acquired for implementation of the project.

Order:

12.0 The Commission after considering all the facts and the project report submitted by WBSETCL in the petition vide letter dated 30.09.2019 along with additional submission dated 06.03.2020 and 11.05.2020 and duly noting the submission under letter dated 01.11.2019, approves the investment proposal in terms of regulation 2.8.2.3 of the Tariff Regulations with the details as given below:
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13.0 The Commission also gives the following directions:

(i) In future, WBSETCL shall not make any progress towards implementation of a project before obtaining prior approval of the Commission as per provisions of Tariff Regulations.

(ii) For the purpose of capitalization, actual project cost is to be got approved by the Commission along with actual interest during construction and all actual expenditure incurred or apportioned to the project cost on account of spares, transportation, insurance, tax, establishment charges, tools and plants, audit and accounts, maintenance and losses during construction and consultancy charges and also any actual expenditure met out of contingency. WBSETCL is to provide the cost break-up of each scheme showing the actual vis-à-vis estimation included in the total project cost as above.

(iii) WBSETCL shall ensure proper metering arrangement in line with the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as
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amended from time to time and arrangement for real time data display at SLDC control room before energization of the sub-station and associated Transmission Systems.

(iv) WBSETCL shall take necessary approval from the Commission in line with Regulation 5.11 of West Bengal Electricity Regulatory Commission (Licensing and Condition of License) Regulations, 2013 regarding transfer of land from WBSEDCL.

(v) On completion of each project WBSETCL shall submit the date of commercial operation (COD) and a cost benefit analysis of the project separately before the Commission.

(vi) Original project cost is required to be approved in terms of Regulation 2.8.5 of the Tariff Regulations. Commission may disallow any excess project cost on capitalization over approved cost if it finds the justifications furnished are not adequate.

(vii) In case of escalation in project cost in any scheme, WBSETCL shall take due approval from the Commission before capitalization of assets.

14.0 The petition is thus disposed of. Let a copy of the order be served upon WBSETCL.

Sd/-
(PULAK KUMAR TEWARI) MEMBER

Sd/-
(DURGADAS GOSWAMI) MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA) CHAIRPERSON

Dated: 08.06.2020

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(T. K. MUKHERJEE) SECRETARY