

INDIA POWER

Ref: RA/II/002/16-17/1512

09th January 2017

To,

The Secretary
West Bengal Electricity Regulatory Commission
FD-415A, Poura Bhawan, 3rd Floor,
Sector-III, Bidhannagar,
Kolkata – 700106



Sub: Petition for 'in principle clearance' from the Hon'ble Commission for construction of 3-phase, 132 KV Double Circuit Transmission Line from J K Nagar to Railways Traction Feeding Point at Pandabeswar under 2.8.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) [Amendment] Regulations, 2013.

**Ref: 1) Our Submission under letter no. RA/II/002/16-17/1424 dated 10.06.2016
2) Your letter no. WBERC/OA-230/16-17/0575 dated 05.07.2016**

Respected Sir,

Further to our petition submitted on 10.06.2016 and preliminary response from the Hon'ble Commission received on 05.07.2016, we take this opportunity to inform the Hon'ble Commission that we follow the relevant regulations framed by the Hon'ble Commission under section 46 of the Electricity Act 2003 for recovery of reasonable expenses from intending consumer for providing new connection. It is also pertinent to mention here that the entire process of providing new connection to Eastern Railways is guided by the procedure specified for new connection to an intending consumer in WBERC (Standards of Performance of Licensees Relating to Consumer Services) Regulations, 2010 as amended

We are hereby enclosing our detailed clarification on sharing of project cost and hope that this will enable the Hon'ble Commission to get an appropriate insight on the aforesaid matter.

We humbly request the Hon'ble Commission to consider the same while finalising the order for grant of "in principle clearance" in the aforesaid matter. In case any further information is required, we are ready to provide the same.

Thanking You.

Yours Sincerely
For India Power Corporation Limited


Sandip Mitra
Vice President (Regulatory Affairs & Budget)

Encl.: Clarification in the matter

India Power Corporation Limited
(Formerly DPSC Limited)

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CLARIFICATION IN THE MATTER OF:

Petition for 'in-principle clearance' from the Hon'ble Commission for construction of 3-phase, 132 KV Double Circuit Transmission Line from J K Nagar to Railways Traction Feeding Point at Pandabeswar under 2.8.4.1.of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations,2013.

THE PETITIONER, INDIA POWER CORPORATION LIMITED (FORMERLY DPSC LIMITED) RESPECTFULLY SUBMITS:

A. Beneficiaries of the project

1. Vide the original petition submitted on 10.06.2016, the Petitioner had informed the Hon'ble Commission that Eastern Railway has expressed interest to take 3-phase power at 132 kV for Traction load at their Pandabeswar TSS, Burdwan through Single Circuit 132 kV Transmission Line, which has been agreed upon vide Agreement dated 26.06.2015.
2. It has been proposed to supply that power initially from DVC, Kalipahari 132/33kV substation through the Petitioner's proposed 132 kV Switching stations at J K Nagar. The proposed route length is about 7 kms. Then the 132 kV Double Circuit transmission line will be connected to the Petitioner's Bankola substation, which present is of 33/11kV capacity and will be upgraded to 132/33/11 kV to meet the requirement of traction power level. The route length from J K Nagar Switching station to Bankola substation is about 24 kms. Then the 132 kV transmission line from Bankola will be connected to Pandabeswar TSS on single circuit 132 kV transmission line over Double Circuit tower. The route length is 10 kms. approx.
3. It is pertinent to mention here that considering the importance of traction load and also to maintain 99.95% reliability level, the Petitioner, however, has proposed an alternative power feed from its existing 220/33kV J K Nagar substation by connecting the 220 kV BUS with arrangement of 220/132 kV (AIS/GIS) at J K Nagar.
4. Further keeping in mind the demand requirement arising out of likely economic growth and prospective industrial load at Dhasal and Bankola, which is estimated to be around 100 MVA, the Petitioner has proposed to set up a 132/33kV substation at Dhasal. The purpose is that the J K Nagar double circuit line to Bankola substation will be arranged with one circuit at Dhasal substation. To ensure supply security, in case, there happens any power trip at the DVC, Kalipahari Substation, the J K Nagar 220/33 kV State Grid network will supply power through its newly commissioned 220/132 kV at J K Nagar, which in turn can draw power through opens access/state grid.

5. It is also proposed to upgrade the petitioner's existing Dhasal & Bankola 33kV substations by linking the proposed 132 kV system to render better voltage profile and more stability of power supply to the existing consumers of said 33 kV substations as well as reducing the transmission line loss by shifting to 132 kV supply source from existing 33 kV supply sources.
6. **The prospect of upcoming load from Burnpur area is 60 MVA with supply voltage of 132 kV. So, developing 132 kV network to feed that load is another requirement in the entire arrangement.**
7. In view of the above, it is clearly indicated that **there are multiple beneficiaries of the proposed project of construction of 3-phase, 132 KV Double Circuit Transmission Line from J K Nagar.**

B. Allocation of Project Cost among Beneficiaries

8. Section 46 of the Electricity Act states,

"46. The State Commission may, by regulations, authorise a distribution licensee to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply."

9. Under the provisions of Section 46 of the Electricity Act, the Hon'ble Commission has notified WBERC(Recovery of Expenditure for Providing New Connections) Regulations, 2013. Regulation 4 deals with the recovery of reasonable expenditure for providing new connections. The relevant extract of Regulation 4 applicable in the aforesaid matter is quoted below for the ready reference of the Hon'ble Commission,

"4.2 Where distribution mains will need to be extended or new plants, lines, distribution mains are to be installed or both in order to supply electricity to any applicant(s) / intending consumer(s), the distribution licensee shall recover the cost for the same from the applicant(s) / intending consumer(s) in the manner specified hereinafter:

4.2.1 The cost of the extended portion of the common facilities, including the costs of electrical plants, LT or HT lines emanating from the sub-station, distributing mains, etc. shall be borne by a new consumer/ consumers in proportion to his / their respective connected loads. Those new consumers who might be served by the same extended portion of the common facilities subsequently, shall also bear the cost of the aforesaid extended facilities in proportion to their respective connected loads till the costs incurred by the licensee in extending the said facilities are fully recouped.

Where there is provision of turnkey and completion of the service connection is to be borne by the consumer under any procedure framed under regulations 13.13 of SOP, then on sharing the same asset by any other consumer the licensee shall refund the proportionate cost to the consumer who has built the asset under turnkey concept.

4.2.2 The aforementioned mode of recovery of costs shall be followed notwithstanding that a licensee may be required, in some cases, to commission lines and plants etc. of capacities, which are in excess of the need of a single initial intending consumer / a

group of such initial intending consumers, or the minimum standard ratings, or in consonance with good practices."

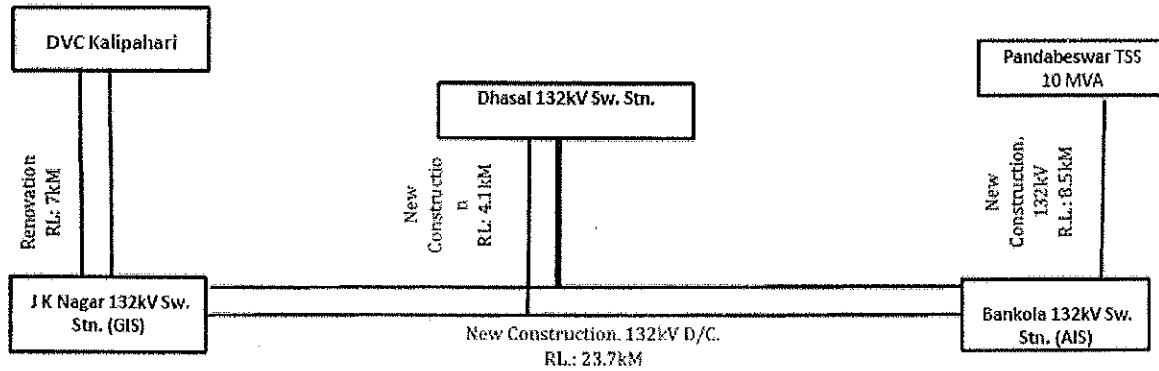
10. The Petitioner humbly submits that although the project has been titled as "construction of 3-phase, 132 KV Double Circuit Transmission Line from J K Nagar to Railways Traction Feeding Point at Pandabeswar", for ease of recall and reference, in reality, the Railways is not the sole beneficiary of the project as explained in the earlier paragraphs. Other substations in the vicinity of the said 132 KV Double Circuit Transmission Line between J K Nagar to Bankola is planned to be connected to this line in order to supply to other consumers through such substations.
11. The Petitioner has strictly followed the norms of project cost allocation based on the Regulation 4.2 of the WBERC (Recovery of Expenditure for Providing New Connections) Regulations, 2013. Therefore, **the Petitioner has sought to recover only that portion of the project cost from the Eastern Railways, for which dedicated Transmission line has to be constructed.** For the balance part of cost involved in the project where multiple beneficiaries are envisaged, the project cost will be allocated among the beneficiaries in proportion to their connected loads.
12. The Petitioner humbly submits that save and except those provided in the relevant regulations of the Hon'ble Commission, the Petitioner is not incurring any additional cost on providing new connection. The cost of construction of distribution mains / substations required for increasing the network accessibility of the Petitioner's distribution system is to be treated under capex item in the ARR of the Petitioner for the concerned years.
13. A simple illustration of cost allocation between Eastern railways and the Petitioner is indicated in the **Annexure-A** enclosed herewith for kind reference of the Hon'ble Commission.
14. The Petitioner hereby reiterates that it is recovering the reasonable expenditure for providing the traction connection to Eastern Railways at 132 kV voltage level.
15. The Petitioner humbly submits before the Hon'ble Commission that the entire process of providing new connection to Eastern Railways is guided by the procedure specified for new connection to an intending consumer in WBERC (Standards of Performance of Licensees Relating to Consumer Services) Regulations, 2010 as amended.

C. Request to the Hon'ble Commission

16. In view of the above, it is respectfully prayed before the Hon'ble Commission that the in-principle clearance for construction of 3-phase, 132 KV Double Circuit Transmission Line from J K Nagar to Railways Traction Feeding Point at Pandabeswar under 2.8.4.1.of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations,2013 may kindly be accorded.

ANNEXURE-A

Proposed Line Diagram for 132 KV Connectivity to Dhasal, Bankola & Eastern Railway, Pandabeswar from J K Nagar



Break up of Project Cost Allocation

Contribution from	Amount (Cr.)	Breakup of cost allocation	(Cr.)
Railways	14	i) Bankola-Pandabeswar 132kV Line exclusive for Railways	8
		ii) 132kV Metering arrangement for Railways	2.5
		iii) JKNagar to Bankola 132kV line (part finance in % as per Railway loading only)	3.5
Capex	32	i) JKNagar to Bankola 132kV line (remaining cost in % of other loading excl. Railway load)	11.5
		ii) JKNagar 132kV Sw. Stn (GIS)	8
		iii) Dhasal 132kV S/S with T/F & Tr. Line	8
		iv) Bankola 132kV S/S with T/F	4.5