



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. OA-343/20-21**

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. 9565.50 LAKH FOR ESTABLISHMENT OF 132/33 KV GAS INSULATED SUBSTATION AT CHAPRA, DISTRICT – NADIA AND ASSOCIATED TRANSMISSION SYSTEM 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: 28.01.2021



Certified true Copy



Approval of incurring capital expenditure by West Bengal State Electricity Transmission Company Limited for establishment of 132/33 kV Gas Insulated Substation at Chapra, District – Nadia and associated transmission system 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 The West Bengal State Electricity Transmission Company Limited (in short 'WBSETCL') has submitted an application vide letter dated 10.09.2020 for approval of incurring capital expenditure of an estimated cost of Rs. 9565.50 Lakh for establishment of 132/33 kV Gas Insulated Substation at Chapra, District – Nadia and associated transmission system as 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 application has been registered as Case No. OA-343/20-21.
- 2.0 In their application, WBSETCL has submitted DPR of the scheme. Brief description of the scheme is given below:
 - 2.1 WBSETCL has proposed for establishment of new 132/33 kV substation at Chapra by construction of 132/33 kV Gas Insulated Substation (GIS) at Chapra in the Nadia district of West Bengal with 2x50 MVA 132/33 kV Transformers, 132 kV GIS module with 4 numbers of 132 kV feeder bays, 9 numbers of 33 kV feeder bays, 2x10 MVAR 33 kV Capacitor Bank along with construction of D/c LILO of Krishnanagar – Debogram 132 kV D/c Transmission Line (Route length 37 Km) at proposed Chapra 132 kV GIS.
 - 2.2 WBSETCL has submitted that the establishment of new 132/33 kV substation at Chapra has been contemplated for catering to the growing load demand and to supply adequate, reliable and quality power supply under the command area of Chapra, Dhublia, Sakda, Krishnanagar, Nikashipara, Bara Andulia, Dayerbazar 33/11 kV substations of WBSEDCL.
 - 2.3 WBSETCL has stated that the present peak load of Chapra 33/11 kV substation is around 17 MVA which is having S/c connectivity with Krishnanagar 220 kV S/s and Tehatta 33 kV S/s. The Krishnanagar – Chapra 33 kV S/c line and Tehatta – Chapra 33 kV S/c line is further proposed to be LILOed at proposed Dayerbazar and Bara Andulia 33 kV substations respectively.
 - 2.4 WBSETCL has further stated that the present installed capacity of 132/33 kV Transformer at Krishnanagar 220 kV substation is 3x50 MVA and the maximum demand exceeded 83% of its installed capacity in July, 2019. Therefore, establishment of a new EHV substation in this region is essential for betterment of voltage and to cope with future load growth as well as to reduce the dependency of the sub-transmission system on Krishnanagar 220 kV Substation.





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- 2.5 WBSETCL has also stated that on creation of the Chapra 132 kV GIS, the nearby 33 KV substation of Dhublia, Nikashipara, Krishnaganj and Sakda will get a strong alternative source.
- 2.6 WBSETCL has submitted that the aggregated demand of these substations will reach 45 MVA during commissioning of Chapra 132 kV i.e. during 2022-23 which will be incidental on 33 kV bus of Chapra 132 kV GIS.
- 2.7 WBSETCL has also submitted that Chapra 132 kV GIS is proposed to be constructed utilizing the spare able land within 33/11 kV substation of WBSEDCL and permissive possession of the said land has already been taken from WBSEDCL on 22.05.2019 and execution of the project has been initiated after obtaining the permissive possession from WBSEDCL due to urgent requirement of the beneficiary (WBSEDCL). WBSETCL also stated that the process has already been initiated regarding formal transfer of land for complying with the provision of regulation 5.11 of West Bengal Electricity Regulatory Commission (Licensing and Conditions of License) Regulations, 2013.
- 2.8 It is stated by WBSETCL that the administrative approval to construct Chapra 132/33 kV GIS and associated transmission system has been accorded by the Board of Directors, WBSETCL in its 73rd meeting held on 24.06.2020.
- 2.9 The project cost, as submitted by WBSETCL for the scheme has been tabulated as under:

Sl No	Description	Amount (in Rs Lakh)
1	Construction of Chapra 132/33 kV GIS with 4 numbers of 132 kV feeder bays, 2x50 MVA 132/33 kV Transformers, 9 numbers of 33 kV feeder bays and 2x10 MVar 33 kV Capacitor Bank	Cost of Land
		-
		Cost of Transformers
		504.21
		Cost of Supply
2	D/c LILO of Krishnanagar – Debogram 132 kV D/c line at proposed Chapra 132 kV Substation	1996.37
		Cost of Erection
		124.73
3	Supervision Charge	Cost of Civil Work
		654.92
4	Total Project Cost	Cost of Supply
		1781.56
5	IDC	2465.51
6	Project Cost including IDC	1129.09
		8656.39
		909.11
		9565.50





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- 2.10 It was also submitted that the project is 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.
- 2.11 WBSETCL has further submitted that the project is in pre-tender engineering stage and the tender will be published shortly. Letter of Award (LOA) for implementation of the scheme will be placed after obtaining approval from the Commission.
- 3.0 The Commission, after carefully analyzing, admitted the application on 12.11.2020 and directed WBSETCL to publish the gist of their application 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 application in (i) the Ananda Bazar (ii) the Aajkal (iii) the Bartaman and (iv) the Times of India on 06.12.2020 inviting suggestions and objections on their application 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.

Observations of the Commission:

- 4.0 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.
- 5.0 The Commission noted that the project submitted in the application 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 which was approved by the Commission in the Tariff Order for WBSETCL in Case No. TP – 86/19 – 20 dated 16.12.2020 in terms of regulation 2.9.3 of the Tariff Regulations.
- 6.0 The Commission observes that the proposed Chapra 132/33 kV GIS will cater the growing load demand in the controlling area of Chapra, Dhublia, Sakda, Krishnaganj, Nikashipara, Bara Andulia and Dayerbazar 33/11 kV substations of WBSEDCL and will also help to provide a reliable and quality power supply in those areas.





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- 7.0 The Commission also observes that the substation is being constructed within the vacant space available at the 33/11 kV substation of WBSEDCL for which permissive possession from WBSEDCL has already been taken.

Order:

- 8.0 The Commission after considering all the facts and the project report submitted by WBSETCL in the application vide letter dated 10.09.2020, approves the investment proposal in terms of regulation 2.8.2.3 of the Tariff Regulations. The details of approved schemes are given below:

SI No	Description	Amount (in Rs Lakh)
1	Construction of Chapra 132/33 kV GIS with 4 numbers of 132 kV feeder bays, 2x50 MVA 132/33 kV Transformers, 9 numbers of 33 kV feeder bays and 2x10 MVar 33 kV Capacitor Bank	Cost of Land
		-
		Cost of Transformers
		504.21
		Cost of Supply
2	D/c LILO of Krishnanagar – Debogram 132 kV D/c line at proposed Chapra 132 kV Substation	1996.37
		Cost of Erection
		124.73
3	Supervision Charge	Cost of Civil Work
		654.92
4	Total Project Cost	Cost of Supply
		1781.56
5	IDC	Cost of Erection
6	Project Cost including IDC	2465.51
		1129.09
		8656.39
		909.11
		9565.50

- 9.0 The Commission also gives the following directions:

- 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.
- WBSETCL shall ensure proper metering arrangement in line with the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time and arrangement for real time data display at SLDC





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control room before energization of the sub-station and associated Transmission Systems.

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

10.0 The application is thus disposed of. Let a copy of the order be served upon WBSETCL and WBSEDCL.

sd/-
(PULAK KUMAR TEWARI)
MEMBER

sd/-
(DURGADAS GOSWAMI)
MEMBER

sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Certified true Copy

Dated: 28.01.2021



(Saibal Kanti Das)
Secretary