



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. OA-323/19-20**

IN REGARD TO THE APPLICATION SUBMITTED BY THE WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED (WBSETCL) FOR APPROVAL OF REVISED CAPITAL EXPENDITURE OF RS. 31754.00 LAKHS FOR ESTABLISHMENT OF 220/132/33 KV SUBSTATION WITH ASSOCIATED TRANSMISSION SYSTEM AT NEW TOWN II C 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: 24.08.2021



Certified true Copy



Approval of revised capital expenditure of WBSETCL for establishment of 220/132/33 KV substation with associated transmission system at New Town II C in terms of regulation 2.8.2.3 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 13.01.2020 for revision of capital expenditure to the tune of Rs. 317.54 Crore as against the capital expenditure already approved by the Commission vide its order dated 09.02.2017 for an estimated amount of Rs. 192.60 Crore for establishment of 220/132/33 kV Gas Insulated Sub-station at New Town IIC with associated transmission system and establishment of D/c UG cable connectivity with Rajarhat 400 kV substation of PGCIL in terms of regulation 2.8.2.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (in short 'Tariff Regulations'). Subsequently, WBSETCL vide letters dated 10.08.2020, 10.11.2020, 01.12.2020, 08.01.2021 and 23.02.2021 has submitted additional clarifications/ documents before the Commission. The application dated 13.01.2020 along with subsequent submissions of WBSETCL (altogether termed as the 'petition') has been admitted by the Commission on 05.03.2021 and has been registered as Case No. OA – 323 /19 – 20.
- 2.0 The salient points of petition are as follows:
- A) Investment approval for establishment of New Town IIC 220 kV GIS along with 220 kV D/c transmission line from the proposed sub-station to Rajarhat 400 kV sub-station of PGCIL (with overhead RL of 14 km and underground RL of 1.8 km) for an estimated cost of Rs. 19259.63 Lakh was approved by the Commission in Case No. OA- 216/15-16 dated 09.02.2017.
- B) WBSETCL submitted that, out of approximate 14 km overhead line, they have only completed route length (RL) of 0.70 km as they faced severe Right of Way (ROW) issues in the area. WBSETCL submitted that, they extended the UG cable upto RL of 2.6 km and explored alternative corridor for drawal of 220 kV overhead line from Rajarhat 400 kV substation but ROW issue could not get solved. WBSETCL submitted that two 220 kV lines viz. Barasat – Kasba 220 kV D/c line and Jeerat – Rajarhat – New Town AA III – KLC (Bantala) 220 kV D/c line are passing nearby from the proposed New Town IIC sub-station, but those lines are fully loaded and no capacity margin is available so that any LILO arrangement could be made to the proposed New-Town II C sub-station.





Approval of revised capital expenditure of WBSETCL for establishment of 220/132/33 KV substation with associated transmission system at New Town II C in terms of regulation 2.8.2.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.



- C) In view of the ROW issue, WBSETCL proposed to draw the entire line from Rajarhat (PGCIL) 400 kV GIS to New Town IIC GIS through Underground (UG) Cable of approximate route length of 11.5 Km (including 2.6 km of UG cable already developed + 8.9 km). The proposal has also been approved by Board of Director, WBSETCL in 71st meeting on 14.11.2019.
- D) Considering the modified scope of work, WBSETCL submitted the revised project cost of Rs. 31523.86 Lakh from the initial approved estimated cost of Rs. 19259.63 as per the details given below:

Particulars	Admitted in Case No. OA-216/15-16 dated 09.02.2017 (in Rs. Lakh)	Revised Project Cost (in Rs. Lakh)
A. Cost of land	1978.35	1978.35
B. Substation part	7914.07	7188.80
C. Transmission Line Part		
Overhead	2072.65	429.00
Underground	2925.60	15177.04
Project cost (A+B+C)	14890.67	24773.19
IDC, Supervision charge, etc	4368.96	6750.67
OVERALL PROJECT COST	19259.63	31523.86

- E) WBSETCL also stated that under the provision of existing LOA, M/s KEC has constructed a multi-circuit tower line of 0.70 CKM (overhead part) at Rajarhat (PGCIL) 400 kV Substation end, which was later utilized for making LILO of Jeerat – New Town AA III 220 kV D/c at Rajarhat 400 kV substation of PGCIL. Further, part of Jeerat – Rajarhat 220 kV D/c line will be utilized later to establish Rajarhat – Barasat 220 kV D/c line. WBSETCL submitted that this is an entirely separate project and has no connection with the present scheme of New Town IIC 220 kV GIS and associated transmission system.
- F) WBSETCL submitted that considering urgency NIT for supply and laying of UG Cable line of RL \approx 8.89 KM has been made on 30.07.2020 and evaluation of techno commercial bid is in progress. However, LoA will be placed after obtaining approval of the Commission.





Approval of revised capital expenditure of WBSETCL for establishment of 220/132/33 KV substation with associated transmission system at New Town II C in terms of regulation 2.8.2.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.



G) In view of the above, WBSETCL has accordingly, sought approval of the project with an estimated cost of Rs. 31523.86 Lakh in terms of Regulation 2.8.2.3 of the Tariff Regulation.

3.0 Subsequently, WBSETCL vide letter dated 23.02.2021 has submitted rate justification of the estimate for establishment of D/c UG Cable connectivity between PGCIL 400 kV substation and New Town II C 220 kV GIS (RL \approx 8.89 KM), where WBSETCL has considered price discovered through tender process in earlier projects (2018) with due corrections for type and size of XLPE cable. WBSETCL also submitted that the estimate carried out for the project is tentative and indicative and the actual project cost will be derived in open tendering mechanism through e-tendering portal. WBSETCL will also take due approval of the Commission for completion cost of the project.

4.0 The Commission, after carefully analyzing, admitted the application on 05.03.2021 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 Times of India" (ii) the "Anandabazar Patrika" (iii) the "Aajkal" and (iv) the "Bartaman" on 07.05.2021 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:

5.0 In terms of Regulation 2.8.2.3 of Tariff Regulations, prior approval of the Commission for investment in new transmission project is mandatory after 31.12.2007 and any subsequent revision of such investment also be required to get approved by the Commission.

6.0 WBSETCL has faced severe ROW issues for constructing 220 kV D/c transmission line from Rajarhat (PGCIL) 400 kV GIS to the proposed New Town II C GIS. WBSETCL has also explored various options and finally found construction of the transmission line using UG cable as a feasible solution. WBSETCL accordingly, prayed to approve the revised estimated project cost of Rs. 31523.86 Lakh.





Approval of revised capital expenditure of WBSETCL for establishment of 220/132/33 KV substation with associated transmission system at New Town II C in terms of regulation 2.8.2.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.



- 7.0 The increase in estimated project cost is mainly on account of construction of 220 kV D/C UG cable in place of 220 kV D/C overhead transmission line. WBSEDCL vide their letter dated 23.02.2021 has submitted their basis for estimation of the cost of UG cable connectivity from Rajarhat (PGCIL) 400 kV GIS to the proposed New Town II C GIS, based on their earlier tender values, which were found reasonable. Further the construction of the sub-station is in advance stage, hence connectivity of proposed 220 kV New Town II C sub-station is required to be established for utilization of the sub-station.
- 8.0 WBSETCL in their revised petition has considered a sum of Rs. 429.00 lakh for construction 0.70 km overhead line as a part of initial investment approval. However, from the submission of WBSETCL dated 08.01.2021, it is evident that, the said overhead portion has been utilized for different projects and the same has no connection with the present scheme of New Town IIC 220 kV GIS. In this regard, it may be noted that the connectivity between 400 kV substation of PGCIL at Rajarhat and 220 kV substation at New Town is considered to be made entirely through underground cable. Thus, the estimated expenditure of Rs. 429.00 lakh for construction of overhead line part is not considered as a part of the present project cost.

Order:

- 9.0 The Commission after considering all the facts and the project report submitted by WBSETCL approves the investment proposal of establishment of 220 kV GIS with associated transmission system at Newtown IIC with a revised project cost of Rs. 30972.21 Lakh in terms of regulation 2.8.2.3 of the Tariff Regulations with the details as given below:

Particulars	Revised Project Cost (in Rs. Lakh)
A. Cost of land	1978.35
B. Substation part	7188.80
C. Transmission Line from Rajarhat 400 kV substation of PGCIL to proposed New Town IIC 220 kV substation (UG cable RL \approx 11.5 km)	15177.04
Total cost (A+B+C)	24344.19
Supervision charge	3354.88
Project Cost	27699.07
IDC	3273.14
OVERALL PROJECT COST	30972.21





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10.0 The Commission also gives the following directions:

- (i) For the purpose of capitalization WBSETCL will have to seek approval of the Commission for the project cost 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.
- (ii) WBSETCL shall ensure proper metering arrangement in line with 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 control room before energization of the sub-station and associated Transmission Systems.
- (iii) On completion of the project WBSETCL shall submit the COD and a benefit analysis of the project separately before the Commission.
- (iv) Original project cost is required to be approved in terms of Regulation 2.8.5 of the Tariff Regulations. Commission may disallow any excess of project cost on capitalization over approved cost if it finds the justifications furnished are not adequate.

11.0 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: 24.08.2021



[Signature]
Secretary

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