

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 493/TT/2014

- Subject : Truing up of transmission tariff for 2009-14 tariff period and determination of transmission tariff for 2014-19 tariff period for (i) Ramagundam-Hyderabad 400 kV S/C line-2 in SR and (ii) Bhadrawati (Chandrapur) HVDC back to back station (2x 500 MW) in SR and WR.
- Date of Hearing : 2.12.2015
- Coram : Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member
- Petitioner : Power Grid Corporation of India Limited
- Respondents : Karnataka Power Transmission Corporation Limited & 22 Others
- Parties present : Shri Anshul Garg, PGCIL
Shri A. N. Kumar, PGCIL
Shri Jasbir Singh, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri M. M. Mondal, PGCIL
Shri Sashi Bhushan, PGCIL
Shri J. Majumder, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Sunil Kumar, PGCIL
Shri S. S. Raju, PGCIL
Shri S. Vallinayagam, Advocate, TANGEDCO
Shri R. Jaya Prakash, TANGEDCO

Record of Proceedings

The representative of the petitioner submitted that:-

- a) The instant petition has been filed for truing up of charges for the tariff period 2009-14 and determination of transmission tariff for the tariff period 2014-19 for (i) Ramagundam - Hyderabad 400 kV S/C line-2 in SR and (ii) Bhadrawati (Chandrapur) HVDC back to back station (2x 500 MW) in SR and WR.
- b) The transmission charges for the instant asset for 2009-14 period was approved by the Commission vide Order dated 20.6.2011 in Petition No. 178/2010.
- c) As against additional capitalization of ₹ 240 lakh was approved by the Commission for Asset-I for the tariff period 2009-14 on account of expenditure



for tower strengthening, the actual additional capitalization claimed is ₹ 38.97 lakh during the period 2013-14.

2. In response to the Commission's query regarding the substantial variation in allowed and actual additional capitalization in case of Asset-I for tariff period 2009-14, the petitioner submitted that while estimating the cost it had not done detailed engineering and drawing for the works and estimated 240 MT of steel for the works however, post detailed engineering the steel used was just 43 MT which resulted in reduction of actual additional expenditure.

3. In response to another query of Commission regarding completion of all works related to tower strengthening, the representative of the petitioner submitted that it has completed the tower strengthening works.

4. The learned counsel of the TANGEDCO submitted that it has filed its reply to the petition. He submitted that the actual additional capitalisation is less than the approved additional capital expenditure and accordingly the petitioner should have provided the details of the amount to be refunded including the tax refund. He also submitted that the additional capitalization claimed by the petitioner on account of tower strengthening should be part of O&M expenses and not additional capitalization. He submitted that the additional capitalisation was approved for the year 2012-13 and not in 2013-14 and therefore it should not be allowed.

5. In response to TANGEDCO's submissions, the representative of the petitioner submitted that additional capitalization incurred during 2013-14 is on account of same work approved by the Commission in order dated 20.6.2011 in Petition No. 178/2010 and there was delay as the tendering work started only after the same was approved by the Commission.

6. The learned counsel for TANGEDCO submitted that the petitioner is not making sufficient efforts to refinance the loan and the interest rate of 8.68% claimed is very high. In response, the representative of the petitioner submitted that the actual weighted average rate of interest for tariff period 2009-14 is varying between 3.20% to 3.33% and it is already low.

7. The learned counsel for TANGEDCO requested the Commission to direct the petitioner to provide single line diagram for the assets. The Commission directed the representative of the petitioner to submit the Single Line Diagram of the assets, rejoinder to the TANGEDCO's reply on affidavit by 9.12.2015, with a copy to the respondents.

8. The Commission further observed that in case the above information is not received within the specified date, the petition will be disposed on the basis of the information already available on record.

9. Subject to the above, order in the petition was reserved.

By order of the Commission

Sd/-
V. Sreenivas
Dy. Chief (Law)

