

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 539/TT/2014

Subject : Truing up of transmission tariff for 2009-14 tariff period and transmission tariff for 2014-19 tariff period for transmission system associated with NLC Stage-II in Southern Region

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 Ltd. (KPTCL) and 14 others

Parties present : Shri Anshul Garg, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Jasbir Singh, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri M.M. Mondal, PGCIL
Shri Sashi Bhushan, PGCIL
Shri J. Mazumder, PGCIL
Shri R. 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 transmission tariff for 2009-14 tariff period and determination of transmission tariff for 2014-19 tariff period for Neelamangala Transmission System associated with NLC Stage-II in Southern Region;



- b) The transmission charges for the instant asset was approved by the Commission for 2009-14 tariff period vide order dated 1.8.2011 in Petition No. 90/2009; and
- c) No additional capitalization has been claimed for 2009-14 tariff period. However for the tariff period 2014-19, additional capitalization and de-capitalization of 1236.05 lakh and 516.62 lakh respectively in 2016-17 and 3255.68 lakh and 1589.53 lakh in 2018-19, respectively has been claimed on account of replacement of various sub-station equipment completing useful life of 25 years at Udumalpet, Madurai, Trichy, Trichur and Salem Sub-stations.

2. The learned counsel for TANGEDCO requested the Commission to direct the petitioner to provide the test reports, third party study or OEM correspondences and other supporting documents recommending replacement of equipment as proposed in the instant petition.

3. In response to the Commission's query regarding procedure of approval for additional capitalization for 2014-19, the representative of the petitioner has submitted that additional capital expenditure claimed has been approved by competent authority and funding approval for the same shall be sought from the Board of Directors (BoD) once the same is approved by the Commission.

4. The Commission observed that competent authority of the petitioner should approve the technical requirements of the equipments that are sought to be procured and the beneficiaries should be taken into confidence before seeking the approval of the Commission and the tariff.

5. The Commission also observed that the rate of interest claimed by the petitioner is on a higher side. In response, the representative of the petitioner submitted that the rate of interest for Bond-III Series-(2nd End) in Form 9C has been wrongly shown as 13.50% instead of 9.75%. As regards the interest rate of 15% claimed for 2016-17, 2017-18 and 2018-19 in Form 9E at page 124 of the petition, the representative of the petitioner submitted that clarification in this regard would be submitted.

6. The Commission directed the petitioner to submit the approval of the additional capital expenditure by the Board of Directors or the competent authority, clarification regarding the interest rate along with replies to queries sought vide letter dated 27.11.2015 on affidavit with a copy to respondents by 9.12.2015.

7. The Commission further directed that the above information should be filed by the date indicated, failing which the matter would be decided on the basis of the information already available on record.



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

By order of the Commission

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

