

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.102/TT/2013

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member**

**Date of Hearing : 07.07.2015
Date of Order : 07.12.2015**

In the matter of:

Revision of order dated 26.12.2014 in Petition No. 102/TT/2013 in the light of Commission's order dated 10.11.2015 in Review Petition No. 04/RP/2015.

And in the matter of:

Power Grid Corporation of India Limited,
"Saudamini", Plot No. 2,
Sector 29, Gurgaon-122001
Haryana

.....**Petitioner**

Vs

1. Karnataka Power Transmission Corporation Ltd. (KPTCL),
Kaveri Bhawan, Bangalore-560 009.
2. Transmission Corporation of Andhra Pradesh Ltd. (APTRANSCO),
Vidyut Soudha,
Hyderabad-500 082.
3. Kerala State Electricity Board (KSEB),
Vaidyuthi Bhavanam,
Pattom, Thiruvananthapuram-695 004.
4. Tamilnadu Electricity Board (TNEB)
NPKRR Maaligai, 800, Anna Salai,
Chennai-600 002.



5. Electricity Department
Government of Goa
Vidyuti Bhawan, Panji, Goa-403001
6. Electricity Department,
Government of Pondicherry,
Pondicherry-605 001.
7. Eastern Power Distribution Company of Andhra Pradesh Ltd. (APEPDCL),
APEPDCL, P&T Colony,
Seethmmadhara, Vishakhapatnam,
Andhra Pradesh.
8. Southern Power Distribution Company of Andhra Pradesh Ltd. (APSPDCL),
Srinivasasa Kalyana Mandapam Backside,
Tiruchanoor Road, Kesavayana Gunta,
Tirupati-517 501.
9. Central Power Distribution Company of Andhra Pradesh Ltd. (APCPDCL),
Corporate Office, Mint Compound,
Hyderabad-500 063.
10. Northern Power Distribution Company of Andhra Pradesh Ltd. (APNPDCL),
Opp. NIT Petrol Pump,
Chaitanyapuri, Kazipet,
Warangal-506 004.
11. Bangalore Electricity Supply Company Ltd. (BESCOM),
Corporate Office, K. R. Circle,
Bangalore-560 001.
12. Gulbarga Electricity Supply Company Ltd. (GESCOM),
Station Main Road, Gulbarga.
Karnataka.
13. Hubli Electricity Supply Company Ltd. (HESCOM),
Navanagar, PB Road,
Hubli, Karnataka.
14. MESCOM Corporate Office,
Paradigm Plaza, AB Shetty Circle,
Mangalore-575 001.
15. Chamundeswari Electricity Supply Corporation Ltd. (CESC),
927, L J Avenue, Ground Floor,



New Kantharaj Urs Road,
Saraswatipuram,
Mysore-570 009.

16. Electricity Department, Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403 001.
17. Electricity Department,
Administration of Daman and Diu,
Daman-396210.
18. Thermal Powertech Corporation India Limited
6-3-1090, C- Block TSR Towers, Rajbhawan
Somajiguda, Hyderabad-500 082

....Respondents

For petitioner : Shri M.G. Ramachandran, Advocate for PGCIL
Ms. Anushree Bardhan, Advocate for PGCIL
Shri S.S Raju, PGCIL
Shri M.M Mondal, PGCIL
Shri S.K Venkatesan, PGCIL
Shri S.S. Raju, PGCIL
Shri Jasbir Singh, PGCIL

For respondent: None

ORDER

The Commission has granted transmission tariff for Power Grid Corporation of India Limited (PGCIL) for Thermal Powertech Corporation India Limited-Nellore Pooling Station Transmission Line (hereinafter referred to as “transmission asset”) in Southern Region for 2009-14 tariff period vide its order dated 26.12.2014 in Petition No. 102/TT/2013. PGCIL filed Review Petition No. 04/RP/2015 seeking review of the order dated 26.12.2014 in Petition No. 102/TT/2013. The Commission allowed the review petition vide order dated 10.11.2015.



Brief facts of the case

2. PGCIL has filed a Review Petition No.04/RP/2015 seeking review of the Commission's order dated 26.12.2014 on two grounds, viz- disallowance of additional Return on Equity of 0.5% and wrongly considering capital cost of ₹ 8218.77 lakh instead of ₹ 8379.89 lakh for the purpose of tariff computation. PGCIL has prayed for additional Return on Equity of 0.5% for completion of the instant transmission asset within the timeline specified in Appendix II to the 2009 Tariff Regulations as provided under Regulation 15 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "2009 Tariff Regulations") and to consider the capital cost of ₹ 8379.89 lakh.

3. The Commission, vide its order dated 10.11.2015 in Petition No. 04/RP/2015 has allowed both the prayers of the petitioner. As regards the issue of additional Return on Equity, the Commission observed as follows:-

"We have considered the submissions of the review petitioner. We are of the view that bay extension is part of the scheme consisting of transmission line and the bay. Project has been defined as the "transmission system" which means "a line or group of lines with or without associated sub-station and includes equipment associated with the transmission system and sub-stations". Where a scheme has been approved consisting of a transmission line and bay extension in an existing sub-station, it will be considered as a project. If both the elements have been commissioned within the timeline given in the Appendix-II to the 2009 Tariff Regulations, then it will be eligible for additional RoE. The bay extension cannot be seen in isolation. Similar approach has been adopted by the Commission in Petition No. 34/TT/2011 and 46/TT/2013. In the instant case, the entire project including the bay extension has been commissioned within the time line specified in the Appendix-II to the 2009 Tariff Regulations and accordingly we are of the view that the instant asset is eligible for additional RoE."

4. As regards the second issue of capital cost, the Commission observed as follows:-



"14. We have considered the submissions of the petitioner. In the tariff forms submitted under affidavit dated 3.3.2014, the capital cost was shown as ` 8379.89 lakh. However, the petitioner had submitted a wrong Management Certificate along with the said affidavit and has now submitted a Management Certificate for an amount which tallies with the capital cost indicated in the tariff forms. Since the petitioner has incurred the expenditure of ` 8379.89 lakh, it has to be serviced in tariff and cannot be denied on account of submission of wrong Management Certificate on earlier occasion and the same deficiency has now been rectified. In our view, there is sufficient reason to review the impugned order on this account and allow the tariff on the basis of the capital cost of ` 8379.89 lakh. We are allowing review on this account based on the peculiar facts of the case and this shall not be cited as a precedent. The petitioner is directed to be careful in submitting the relevant information in the tariff petitions in future and avoid reoccurrence of such instances. "

5. In view of the above, the annual transmission charges allowed for Thermal Powertech Corporation India Limited-Nellore Pooling Station Transmission Line vide order dated 26.12.2014 in Petition No. 102/TT/2013 is being revised.

Capital Cost and Projected Additional Capital Expenditure

6. The petitioner has submitted the revised Management Certificate showing capital cost amounting to ` 8379.89 lakh in Review Petition No.04/RP/2015. The same is considered for the purpose of calculating the transmission tariff. The details submitted by the petitioner are as follows:-

	Capital cost as on COD i.e. 1.9.2013	Additional capital expenditure for 2013-14	Capital cost as on 31.3.2014
In Petition No. 102/TT/2013 vide management certificate dated 5.12.2013	6761.50	1457.28	8218.78
In Petition No. 04/RP/2015 vide management certificate dated 6.1.2014	6927.20	1452.69	8379.89

(` in lakh)



Debt- Equity Ratio

7. The revised details of debt-equity ratio of as on COD and as on 31.3.2014 considered for the purpose of tariff calculation now is as follows:-

Capital Cost as on COD			Capital Cost as on 31.3.2014	
	Amount	% age	Amount	% age
Debt	4849.04	70.00	5865.92	70.00
Equity	2078.16	30.00	2513.97	30.00
Total	6927.20	100.00	8379.89	100.00

Return on Equity (RoE)

8. The revised RoE calculated for the instant asset is as under:-

Particulars	2013-14
Opening Equity	2078.16
Addition due to Additional Capitalisation	435.81
Closing Equity	2513.97
Average Equity	2296.06
Return on Equity (Base Rate)	16.00%
Tax rate for the year 2008-09 (MAT)	20.961%
Rate of Return on Equity (Pre-Tax)	20.243%
Return on Equity (Pre-Tax)	271.13

Interest on Loan

9. The revised interest on normative loan has been considered as under:-

Particulars	2013-14
Gross Normative loan	4894.04
Cumulative Repayment upto previous year	0.00
Net Loan-Opening	4894.04
Additions due to Additional capitalisation	1016.88
Repayment during the year	236.36
Net Loan-Closing	5629.56
Average Loan	5239.30
Weighted Avg. Rate of Interest on loan	9.3078%
Interest	284.47



Depreciation

10. The revised admissible depreciation for the instant transmission asset is as given hereunder:-

(₹ in lakh)	
Particulars	2013-14
Opening Gross Block	6927.20
Additional Capital Expenditure	1452.69
Closing Gross Block	8379.89
Average Gross Block	7653.55
Rate of Depreciation	5.2942%
Depreciable Value	6888.19
Remaining Depreciable Value	6888.19
Depreciation	236.36

Interest on Working Capital (IWC)

11. The revised IWC is as given under:-

(₹ in lakh)	
Particulars	2013-14
Maintenance Spares	25.35
O & M Expenses	14.08
Receivables	261.05
Total	300.48
Interest	23.14

Annual Fixed Charges (AFC)

12. The revised AFC for the instant transmission asset are as given hereunder:-

(₹ in lakh)	
Particulars	2013-14
Depreciation	236.36
Interest on Loan	284.47
Return on Equity	271.13
Interest on Working Capital	23.14
O & M Expenses	98.58
Total	913.68



13. Except for the above, all other terms contained in order dated 26.12.2014 in Petition No. 102/TT/2013 remain unchanged.

-sd-
(A.S. Bakshi)
Member

-sd-
(A.K. Singhal)
Member

-sd-
(Gireesh B. Pradhan)
Chairperson

