

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri M. Deena Dayalan, Member
Shri A.K. Singhal, Member**

Date of Hearing: 12.06.2014

Date of Order : 23.06.2014

In the matter of:

Petition No. TT/025/2014

Approval of transmission tariff for 400 kV Salem PS-Salem 400 kV D/C quad line alongwith new 765/400 kV PS at Salem (initially charged at 400 kV) and bay extensions at Salem 400/220 kV existing sub-station under common system associated with Coastal Energen Private Ltd & Ind-Bharat Power (Madras) Ltd. LTOA Generation Projects in Tuticorin area/Part B in Southern Region

Petition No. TT/027/2014

Approval of transmission tariff for (A) L1LO of N'Sagar- Gooty 400 kV S/C line at Kurnool (New) sub-station, B) Kurnool (New)- Kurnool (APTRANSCO) 400 kV D/C quad line, C) Establishment of new 765/400 kV S/S at Kurnool with 2x1500 MVA transformers, D) Extension of Kurnool (APTRANSCO) S/S, and E) 1x240 MVAR Bus Reactor at Kurnool (New) sub-station under "Transmission System associated with Krishnapatnam Part C 1" in Southern Region

Petition No. TT/029/2014

Approval of transmission tariff for "400 kV Dharmapuri (Salem New)- Somanhalli 400 kV D/C Quad Line along with bay extension at Dharmapuri (Salem New) and Somanhalli S/S" under transmission system associated with "System Strengthening in Southern Region-XIV in Southern Region

Petition No. TT/036/2014

Approval of transmission tariff for "LILO of one circuit of Neyveli-Trichy 400 kV line at Nagapattinam Pooling Station for initial arrangement which later shall be bypassed under Transmission System associated with Common Transmission Scheme associated with ISGS project in Nagapattinam/Cuddalore area of Tamil Nadu Part/A 1 (a)" in Southern Region

And in the matter of:

Power Grid Corporation of India Limited
"Saudamani", Plot No.2,
Sector-29, Gurgaon -122 001

.....Petitioner

Vs

1. Karnataka Power Transmission Corporation Ltd.,
Kaveri Bhawan,
Banglore-560 009
2. Transmission Corporation of Andhra Pradesh Ltd.,
Vidyut Soudha,
Hyderabad-500 082
3. Kerala State Electricity Board,
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram – 695 004
4. Tamil Nadu Electricity Board
NPKRR Maaligai, 800, Anna Salai,
Chennai-600 002
5. Electricity Department
Government of Pondicherry,
Pondicherry – 605 001
6. Eastern Power Distribution Company of Andhra Pradesh Ltd. (APEPDCL),
P&T Colony, Seethmmadhara,
Vishakhapatnam
7. Southern Power Distribution Company of Andhra Pradesh Ltd. (APSPDCL),
Srinivasasa Kalyana Mandapam Backside, Tiruchanoor Road,
Kesavayana Gunta,
Tirupati-517 501

8. Central Power Distribution Company of Andhra Pradesh Ltd. (APCPDCL),
Corporate Office, Mint Compound,
Hyderabad-500 063
9. Northern Power Distribution Company of Andhra Pradesh Ltd. (APNPDCL),
Opp. NIT Petrol Pump, Chaitanayapuri,
Kazipet, Warangal-506 004
10. Bangalore Electricity Supply Company Limited (BESCOM)
Corporate Office, K.R. Circle,
Bangalore-560 001
11. Gulbarga Electricity Supply Company Limited (GESCOM)
Station Main Road,
Gulbarga
12. Hubli Electricity supply Company Limited (HESCOM)
Navanagar, PB Road,
Hubli
13. Mescom Corporate Office
Paradigm Plaza, AB Shetty Circle,
Mangalore-575 001
14. Chamundeswari Electricity Supply Corporation Ltd. (CESC)
927, LJ Avenue Ground Floor,
New Kantharaj Urs Road,
Saraswatipuram, Mysore-570 009
15. Coastal Energen Pvt Ltd
5th Floor, Buhari Towers
No.4, Moores Road,
Chennai-600006
16. Ind Bharat Power (Madras) Ltd
Plot No 30/A Road No 1, Film Nagar
Jubilee Hills
Hyderabad-500033
17. IL&FS Tamil Nadu Power Co Ltd
103, Nelson Manickam Road,
Chennai-600029
18. PEL Power Ltd
8/2/293/A/76
Road No 9 A, Jubilee Hills
Hyderabad-500033

.....**Respondents**

For petitioner : Shri S.S. Raju, PGCIL
Ms. Seema Gupta, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri P. Sarswat, PGCIL
Ms. Sangeeta Edwards, PGCIL

For respondents: None

ORDER

In these petitions, the petitioner, Power Grid Corporation of India Limited (PGCIL) has sought approval for tariff in respect of its various transmission systems in Southern Region under Central Electricity Regulatory Commission(Terms and Condition of Tariff) Regulations, 2009 (hereinafter “the 2009 Tariff Regulations”). During the hearing on 7.3.2014, the petitioner submitted that the subject assets in these petitions are anticipated to be commissioned during 2014-19 period. The Commission directed the petitioner to submit the current status of commissioning of the assets. The petitioner has vide affidavits dated 23.5.2014, 24.5.2014, 28.5.2014 and 29.5.2014 submitted the current status of commissioning of subject assets covered under these petitions and has requested to allow 90% of the Annual Fixed Charges for the purpose of inclusion in the PoC charges in terms of Regulation 7(7) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter “the 2014 Tariff Regulations”), pending determination of final transmission tariff.

2. Regulation 7 of the 2014 Tariff Regulations provides as under:-

"7. Application for determination of tariff:

(1) The generating company may make an application for determination of tariff for new generating station or unit thereof in accordance with the Procedure Regulations,

in respect of the generating station or generating units thereof within 180 days of the anticipated date of commercial operation.

(2) The transmission licensee may make an application for determination of tariff for new transmission system including communication system or element thereof as the case may be in accordance with the Procedure Regulations, in respect of the transmission system or elements thereof anticipated to be commissioned within 180 days from the date of filing of the petition.

(3) In case of an existing generating station or transmission system including communication system or element thereof, the application shall be made not later than 180 days from the date of notification of these regulations based on admitted capital cost including any additional capital expenditure already admitted up to 31.3.2014 (either based on actual or projected additional capital expenditure) and estimated additional capital expenditure for the respective years of the tariff period 2014-15 to 2018-19.

(4) The generating company or the transmission licensee, as the case may be, shall make an application as per **Annexure-I** of these regulations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred up to the date of commercial operation and additional capital expenditure incurred duly certified by the auditors or projected to be incurred during the tariff period of the generating station or the transmission system as the case may be:

Provided that the petition shall contain details of underlying assumptions for the projected capital cost and additional capital expenditure, wherever applicable.

(5) If the petition is inadequate in any respect as required under **Annexure-I** of these regulations, the application shall be returned to the generating company or transmission licensee as the case may be, for resubmission of the petition within one month after rectifying the deficiencies as may be pointed out by the staff of the Commission.

(6) If the information furnished in the petition is in accordance with the regulations and is adequate for carrying out prudence check of the claims made, the Commission shall consider the suggestions and objections, if any, received from the respondents within one month from the date of filing of the petition and any other person including the consumers or consumer associations. The Commission shall issue the tariff order after hearing the petitioner, the respondents and any other person specifically permitted by the Commission.

7. In case of the new projects, the generating company or the transmission licensee, as the case may be, may be allowed tariff by the Commission based on the projected capital expenditure from the anticipated COD in accordance with Regulation 6 of these regulations:

Provided that :

(i) the Commission may grant tariff upto 90% of the annual fixed charges claimed in respect of the transmission system or element thereof based on the management certificate regarding the capital cost for the purpose of inclusion in the POC charges in accordance with the CERC (Sharing of Inter State Transmission charges and losses), Regulation, 2010 as amended from time to time:

xxxx"

3. As per the first proviso to Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant upto 90% of the annual fixed charges for inclusion in the POC charges, if an application has been filed under Regulation 7(1) and (4) of the 2014 Tariff Regulations. Regulation 7(1) of the 2014 Tariff Regulations provides that the application for tariff should be made in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004 (hereinafter "the 2004 Regulations"). Regulation 7(4) of 2014 Tariff Regulations provides that the application shall be made as per Annexure-I to the 2014 Tariff Regulations.

4. The petitioner has filed these petitions as per the Annexure-I to the 2014 Tariff Regulations. The petitioner has also complied with the requirements of the 2004 Regulations, such as service of the copies of the applications on the beneficiaries, publication of notice and web hosting of the applications, etc.

5. TANGEDCO, Respondent No. 4, has filed its reply in Petition No. TT/25/2014, TT/27/2014 and TT/29/2014 vide affidavits dated 8.4.2014, and 17.4.2014 respectively, where it has raised the issues regarding cost over-run, additional return on equity, initial spares, interest on loan and O&M charges. The issues raised by TANGEDCO in different petitions shall be looked into at the time of determination of final tariff.

6. These petitions were again heard on 12.6.2014. During the hearing, the representative of the petitioner requested to grant tariff in terms of provisions of

Regulation 7(7) of the 2014 Tariff Regulations for inclusion in the PoC charges under the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time (hereinafter referred to as "Sharing Regulations"). None of the respondents appeared despite notice.

7. Annual transmission charges claimed by the petitioner and allowed in terms of Regulation 7(7) of the 2014 Tariff Regulations are discussed in Annexure I to IV to this order.

8. The tariff allowed in this order shall be applicable from the date of commercial operation (DOCO) of the transmission systems. The billing, collection and disbursement of the transmission charges shall be governed by the provisions of Sharing Regulations. The transmission charges allowed in the order shall be subject to adjustment after final tariff is determined.

sd/-

(A. K. Singhal)
Member

sd/-

(M. Deena Dayalan)
Member

sd/-

(Gireesh B. Pradhan)
Chairperson

Petition No. TT/025/2014**Annexure-I**

Approval of transmission tariff for 400 kV Salem PS-Salem 400 KV D/C quad line alongwith new 765/400 kV PS at Salem (initially charged at 400 KV) and bay extensions at Salem 400/220 KV existing sub-station under common system associated with Coastal Energen Private Ltd & Ind-Bharat Power (Madras) Ltd. LTOA Generation Projects in Tuticorin area/Part B in Southern Region

1. Annual transmission charges claimed by the petitioner are as follows:-

(₹ in lakh)

Asset	DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
400 kV Salem PS-Salem 400 KV D/C quad line alongwith new 765/400 KV PS at Salem (initially charged at 400 KV) and bay extensions at Salem 400/220 KV existing sub-station	15.8.2014 (Anticipated)	2275.47	3736.23	3755.92	3700.72	3618.51

2. Annual transmission charges allowed in terms of Regulation 7(7) of the 2014 Tariff Regulations are as under:-

(₹ in lakh)

Asset	DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
400 KV Salem PS-Salem 400 KV D/C quad line alongwith new 765/400 KV PS at Salem (initially charged at 400 KV) and bay extensions at Salem 400/220 KV existing sub-station	15.8.2014 (Anticipated)	1934.15	3175.80	3192.53	3145.61	3075.73

Approval of transmission tariff for (A) L1LO of N'Sagar- Gooty 400 kV S/C line at Kurnool (New) sub-station, B) Kurnool (New)- Kurnool (APTRANSCO) 400 kV D/C quad line, C) Establishment of new 765/400 kV S/S at Kurnool with 2x1500 MVA transformers, D) Extension of Kurnool (APTRANSCO) S/S, and E) 1x240 MVAR Bus Reactor at Kurnool (New) sub-station under "Transmission System associated with Krishnapatnam Part C 1" in Southern Region for tariff block 2009-14 period

1. Annual transmission charges claimed by the petitioner are as follows:-

(₹ in lakh)

Asset	DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
Asset I: L1LO of N'Sagar-Gooty 400 KV S/C line at Kurnool (New) S/S Asset II: Kurnool (New)-Kurnool (APTRANSCO) 400 KV D/C quad line Asset III: Establishment of new 765/400 KV S/S at Kurnool with 2X1500 MVA transformers Asset IV: Extension of Kurnool (APTRANSCO) S/S and Asset V: 1X240 MVAR Bus Reactor at Kurnool (New) S/S	1.4.2014	5217.62	5678.83	5668.47	5599.39	5515.75

2 Annual transmission charges allowed in terms of Regulation 7(7) of the 2014 Tariff Regulations are as under:-

(₹ in lakh)

Asset	DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
Asset I: L1LO of N'Sagar-Gooty 400 KV S/C line at Kurnool (New) S/S Asset II: Kurnool (New)-Kurnool (APTRANSCO) 400 KV D/C quad line Asset III: Establishment of new 765/400 KV S/S at Kurnool with 2X1500 MVA transformers Asset IV: Extension of Kurnool (APTRANSCO) S/S and Asset V: 1X240 MVAR Bus Reactor at Kurnool (New) S/S	1.4.2014	4434.98	4827.01	4818.20	4759.48	4688.39

Approval of transmission tariff for “400 KV Dharmapuri (Salem New)- Somanhali 400 KV D/C Quad Line along with bay extension at Dharmapuri (Salem New) and Somanhalli S/S” under transmission system associated with “System Strengthening in Southern Region-XIV

1. Annual transmission charges claimed by the petitioner are as follows:-

(₹ in lakh)

Asset	DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
400 KV Dharmapuri (Salem New)-Somanhali 400 KV D/C Quad Line along with bay extension at Dharmapuri (Salem New) and Somanhalli S/S”	15.8.2014 (Anticipated)	3395.88	5585.97	5530.21	5392.83	5257.20

2 Annual transmission charges allowed in terms of Regulation 7(7) of the 2014 Tariff Regulations are as under:-

(₹ in lakh)

Asset	DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
400 KV Dharmapuri (Salem New)-Somanhalli 400 KV D/C Quad Line along with bay extension at Dharmapuri (Salem New) and Somanhalli S/S”	15.8.2014 (Anticipated)	2698.73	4439.21	4394.90	4285.72	4177.93

Approval of transmission tariff for “LILO of one circuit of Neyveli- Trichy 400 kV line at Nagapattinam Pooling Station for initial arrangement which later shall be bypassed under Transmission System associated with Common Transmission Scheme associated with ISGS project in Nagapattinam/Cuddalore area of Tamil Nadu Part/A 1 (a)”in Southern Region

1. Annual transmission charges claimed by the petitioner are as follows:-

(₹ in lakh)

Asset	DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
LILO of one circuit of Neyveli- Trichy 400 KV line at Nagapattinam Pooling Station	3.5.2014	524.42	641.54	655.14	645.06	625.51

2 Annual transmission charges allowed in terms of Regulation 7(7) of the 2014 Tariff Regulations are as under:-

(₹ in lakh)

Asset	DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
LILO of one circuit of Neyveli- Trichy 400 KV line at Nagapattinam Pooling Station for initial arrangement which later shall be bypassed	3.5.2014	386.32	472.60	482.62	475.19	460.79