

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 51/TT/2015

Coram:

**Shri A. K. Singhal, Member
Shri A.S. Bakshi, Member**

Date of Hearing: 03.03.2015

Date of Order : 15.04.2015

In the matter of

Approval of transmission tariff for (a) LILO of 2nd Circuit of Neyveli-Trichy 400 kV D/C line at Nagapattinam pooling station along with associated bays and (b) Strengthening of Neyveli TS-II-TS-I Exp link with higher capacity conductor under "Transmission System associated with contingency plan for evacuation of power from IL&FS (2x600 MW) in Southern Region" from DOCO to 31.3.2019 under Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

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. (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. Tamil Nadu 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, KesavayanaGunta,
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 KantharajUrs Road,

Saraswatipuram,
Mysore-570 009.

16. IL&FS Tamil Nadu Power Company Ltd.
B-Block, 4th Floor, Navin's Presidium,
103, Nelson Manickam Road,
Aminjikarai, Chennai-600 029.

17. PEL Power Ltd.
8-2-293/A/76, Road No. 9A, Jubilee Hills,
Hyderabad-500 033.

.....**Respondents**

For petitioner: Shri S.K. Venkatesan, PGCIL
Shri S.S. Raju, PGCIL
Shri M.M. Mondal, PGCIL
Shri Prashant Sharma, PGCIL
Shri Jasbir Singh, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri AnshulGarg, PGCIL

For respondents :Shri S.M. Malik, PEL Power
Shri Ananad K. Ganesan, Advocate, PEL Power
Shri Y.L. Dua,IL&FS
Shri S.C. Mishra, IL&FS
Shri Anil Sah.Ayp, IL&FS

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL)has filed this petition for approval of the transmission tariff for transmission assets associated with contingency plan for evacuation of power from IL&FS (2x600 MW) in Southern Regionin accordance withthe Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations").The petitioner has also prayed for allowing 90% of the Annual Fixed Charges claimed, in terms of proviso (i) of Regulation 7(7) of the 2014 tariff Regulations.



2. The details of the assets covered in the instant petition are given hereunder:-

S. No.	Asset	Name of the Asset	Scheduled DOCO	Anticipated DOCO as on the date of petition
1.	Asset-1	LILO of 2 nd Circuit of Neyveli-Trichy 400 kV D/C line at Nagapattinam pooling station along with associated bays		15.3.2015
2.	Asset-2	Strengthening of Neyveli TS-II-TS-I Expansion line with higher capacity conductor	12.7.2015	15.3.2015

3. The matter was heard on 3.3.2015. During the hearing, the representative of the petitioner prayed for grant of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations in respect of the instant assets. The representative of IL&FS submitted that the transmission tariff in case of the instant assets shall be borne by IL&FS from the date of commissioning of the assets till it becomes a part of the regional asset. He further submitted that the instant asset is unlikely to be commissioned on 15.3.2015 as anticipated by the petitioner and the billing should be done after the actual date of commercial operation of the asset. In response, the representative of petitioner clarified that the instant petition is for the LILO of 2nd Circuit of Neyveli-TrichyatNagapattinam Pooling Station. The Nagapattinam Sub-station is going to be commissioned by March end and they are going to complete this line also by 15.3.2015 matching with the Nagapattinam Sub-station. Provisional tariff in case of LILO of 1st Circuit of Neyveli-TrichyatNagapattinam Pooling Station was not allowed in Petition No. 36/TT/2014 because at that time sub-station at Nagapattinam was not ready but now the sub-station and LILO of 2nd Circuit will be getting ready and commissioned by March end and hence prayed to allow tariff under proviso (i) of Regulation 7(7) for the assets covered in Petition Nos.36/TT/2014 and 51/TT/2015.



4. As per proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant tariff upto 90% of the AFC of the transmission system or element thereof for the purpose of inclusion in PoC charges in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission charges and losses) Regulations, 2010. Regulation 7(2) 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 referred to as "2004 Regulations"). Regulation 7(4) of the 2014 Tariff Regulations provides that such an application shall be filed as per Annexure-I of these regulations.

5. We have considered the submissions of the petitioner. The petitioner has made the applications as per Annexure-I of the 2014 Tariff Regulations. The petitioner has also complied with the requirements of 2004 Regulations, such as service of the copy of the application on the beneficiaries, publication of notice and web hosting of the application, etc.

6. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run in case of the instant assets, which shall be looked into in detail at the time of issue of final tariff, the Commission has decided to allow tariff for the instant assets in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 7 of this order for the years 2014-15 and 2015-16. However, the transmission charges allowed will not be included in the PoC



charges at this stage. The transmission charges for the instant asset shall be borne by IL&FS from the date of commissioning till it becomes regional asset and thereafter it will be included in the PoC computation. The petitioner is directed to submit the Indemnification/Implementation Agreement, if any, with IL&FS and the date from which the transmission line would be included in the PoC computation.

7. The details of the tariff claimed by the petitioner and tariff allowed by the Commission are as under:-

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

(₹in lakh)

Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Asset-1	65.32	1486.22	1543.06	1529.23	1494.05
Asset-2	13.23	299.81	304.00	297.81	288.92

B. Annual transmission charges allowed are as follows:-

(₹in lakh)

Assets	2014-15 (pro-rata)	2015-16
Asset-1	52.84	1202.23
Asset-2	11.25	254.84

8. The AFC allowed in this order shall be applicable from the date of commercial operation of the transmission system and the billing, collection and disbursement of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time subject to para 6 above. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulation 7(7) of the 2014 Tariff Regulations.

9. The petitioner is directed to work out the tax on return on equity and the deferred tax liability for the period 2014-19 as per the observations made in order dated 15.4.2015 in Petition No. 532/TT/2014.

10. The Commission directed the petitioner to submit the following information on affidavit with a copy to respondents by 29.5.2015:-

- (i) Status of the Commissioning of Assets – I & II. If there is any change in the COD, submit the auditor's certificate in case of actual COD or Management Certificate in case of anticipated COD along with the revised tariff forms. Also furnish certificate of COD duly indicating the status of commissioning of communication system.
- (ii) Documents in support of Interest Rates and Repayment Schedules (as per Form-9c) of Proposed Loans deployed, for both the Assets. If there is any default in interest payment on loan, petitioner is required to provide the details;
- (iii) Submit Form-4A "Statement of Capital Cost" as per Books of Accounts (Accrual Basis) for all the Assets. Amount of Capital Liabilities in Gross Block should also be indicated;
- (iv) Submit the computation of interest during construction (IDC) along with the editable soft copy in Excel format with links, for all the Assets for the following periods:
 - (a) From the date of infusion of debt fund up to actual/anticipated COD as per Regulation 11 (A) (1) of Tariff Regulation, 2014.
- (v) Furnish the details of incidental expenditure incurred (IEDC) upto COD along with the liquidated damages recovered or recoverable, if any.
- (vi) Submit Form-9 (Details of allocation of corporate loans to various transmission elements), Form 14 (Other income generated, if any) and Form-15 (Actual Cash Expenditure) in respect of both the assets.
- (vii) Revised Cost Estimates (RCE), if any.

(viii) The working of Income Tax on Return on Equity as per Regulation 25 while arriving at tariff in the petition. The details of Deferred Tax Liability and its treatment for the period 2014-19.

sd/-sd/-

(A.S. Bakshi)
Member

(A.K. Singhal)
Member

