

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 61/TT/2015

Coram:

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

**Date of Hearing: 03.03.2015
Date of Order : 01.04.2015**

In the matter of

Approval of transmission tariff for “**Asset-I:** Narendra (New, Kudgi)-Narendra (Existing) 400 kV D/C Quad transmission line along with New 765/400 kV GIS Sub-station at Narendra (New, Kudgi) and Bay extensions at Narendra (Existing) and **Asset-II:** Narendra (New, Kudgi)-Kolhapur (New) 765 kV D/C transmission line and associated bays at Narendra (New, Kudgi) and Kolhapur (New) under Transmission System associated with System Strengthening-XVII in Southern regional Grid” in Southern Region 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 from DOCO to 31.3.2019 .

And in the matter of

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

Vs

.....**Petitioner**

1. Karnataka Power Transmission Corporation Ltd. (KPTCL),
Kaveri Bhawan, Bangalore-560 009.
2. Transmission Corporation of Andhra Pradesh Ltd. (APTRANCO),
Vidyut Soudha,
Hyderabad-500 082.
3. Kerala State Electricity Board (KSEB),
Vaidyuthi Bhavanam,
Pattom, Thiruvananthapuram-695 004.
4. Tamil Nadu Generation and Distribution Corporation Ltd.
NPKRR Maaligai, 800, Anna Salai,



Chennai-600 002.

5. Electricity Department
Government of Goa
Vidyuti Bhawan, Panaji,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. 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 Anshul Garg, PGCIL

For respondents : None

ORDER

In the instant petition the petitioner, Power Grid Corporation of India Limited (PGCIL) has sought approval of transmission tariff for **Asset-I:** Narendra (New, Kudgi)-Narendra (Existing) 400 kV D/C Quad transmission line along with New 765/400 kV GIS Sub-station at Narendra (New, Kudgi) and Bay extensions at Narendra (Existing) and **Asset-II:** Narendra (New, Kudgi)-Kolhapur (New) 765 kV D/C transmission line and associated bays at Narendra (New, Kudgi) and Kolhapur (New) under Transmission System associated with System Strengthening-XVII in Southern regional Grid” in Southern Region from the date of commercial operation to 31.3.2019 as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "2014 Tariff Regulations"). The petitioner has also prayed for

allowing 90% of the Annual Fixed Charges as per Regulation 7(7) of the 2014 Tariff Regulations.

2. The petition was heard on 3.3.2015 for considering the petitioner's prayer for Annual Fixed Cost as per Regulation 7(7) of the 2014 Tariff Regulations. During the hearing, the representative of the petitioner submitted that as per the Investment Approval (IA) dated 27.6.2012, the scheduled completion of the assets is within 33 months from the date of IA i.e. 26.3.2015 against which the subject assets are anticipated to be put under commercial operation w.e.f. 15.5.2015. Marginal delay of one month is anticipated in commissioning of these assets. The estimated completion cost of the instant asset is ₹124971.82 lakh against the apportioned approved cost of ₹129572.14 lakh and there is no cost over-run.

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), Regulation, 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.

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	2015-16	2016-17	2017-18	2018-19
Asset-I	6127.39	7332.68	7353.44	7295.81
Asset-II	10235.81	12173.40	12161.32	11960.00

B. Annual transmission charges allowed are as follows:-

(₹ in lakh)	
Assets	2015-16
Asset-I	4901.91
Asset-II	8188.65

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. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulation 7(7) of the 2014 Tariff Regulations.

10. 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 observation made in order dated 31.36.2015 in Petition No. 532/TT/2014.

11. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 30.4.2015:-

- a. Actual DOCO of all the assets. If there is any change in the DOCO, the auditor's certificate in case of actual DOCO or Management Certificate in case of anticipated COD along with the revised tariff forms.;
- b. The trial operation certificate issued by RLDC and CEA certificate under Regulation 43 of CEA (Measures relating to safety & Electric Supply) Regulations, 2010 for Asset-I and Asset-II;
- c. The petitioner has claimed reactor Bay Extension in Asset-I towards Bus Reactor, however there is no Reactor neither in board approval nor he has claimed the Reactor in petition. Clarify whether the Bus Reactors are included in instant petition. Submit the necessary approval for the bus reactors;
- d. Reasons for claiming substantially higher initial spares than the specified norms in case of GIS Sub-station in Asset-I;
- e. Details of time over-run and chronology of the activities along with documentary evidence in regard to delay of 1 month 19 days anticipated as per format below:-

Asset	Activity	Period of Activity				Reason(s) for delay alongwith reference to supporting documents
		Planned		Achieved		
		From	To	From	To	

- f. Documents in support of Interest Rates, Repayment Schedules and Exchange Rates (as per Form-9C) of Proposed Loans, Foreign Loans (IBRD V) and Bond-XXXVIII deployed, for both the assets. If there is any default in interest payment on loan, provide the details;
- g. Submit Form-4A “Statement of Capital Cost” as per Books of accounts (Accrual Basis and cash basis separately) for both the Assets. Amount of Capital Liabilities in Gross Block should also be indicated;
- h. The computation of interest during construction (IDC) along with the editable soft copy in Excel format with links, for both the Assets for the following periods:-
- a) From the date of infusion of debt fund up to Scheduled DOCO as per Regulation 11 (A) (1) of 2014 Tariff Regulation; and
 - b) From Scheduled DOCO to Actual DOCO of the Asset.
- i. Details of incidental expenditure incurred (IEDC) during the period of delay in commissioning of both the Assets (i.e. from Scheduled DOCO to Actual DOCO) along with the liquidated damages recovered or recoverable, if any;
- j. Form-5B (Details of element wise cost of the Project), Form-9 (Details of allocation of corporate loans to various transmission elements), Form-12A (IEDC), Form-14 (Other income generated, if any) & Form-15 (Actual Cash Expenditure) in respect of both the Assets-I & Asset-II; and
- k. Clarify the mismatch of apportioned approved cost in the Form-5B and Form 6 of Asset-I. Also clarify the mismatch in the Additional Capitalization (2017-18) of Asset II claimed in Form 7 A and Auditor Certificate dated.

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(A.S. Bakshi)
Member

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(A.K. Singhal)
Member

