

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 222/TT/2016

Coram:

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

Date of Order : 23.12.2016

In the matter of:

Approval of transmission tariff of 1x125 MVAR Bus Reactor at 400 kV Nagapattinam GIS alongwith associated bays and equipments, (COD: 1.8.2016) under "Transmission System associated with Common Transmission Scheme associated with ISGS Projects in Nagapattinam/Cuddalore Area of Tamil Nadu Part-A1(a)" in Southern Region from actual COD 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
"Saudamini", Plot No.2,
Sector-29, Gurgaon -122 001

.....Petitioner

Vs

1. Karnataka Power Transmission Corporation Limited (KPTCL),
Kaveri Bhavan,
Bangalore-560 009
2. Transmission Corporation of Andhra Pradesh Limited,
(APTRANSCO), Vidyut Soudha,
Hyderabad-500 049
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, Panaji,
Goa-403 001
6. Electricity Department,
Government of Pondicherry,
Pondicherry-605 001
7. Eastern Power Distribution Company of Andhra Pradesh Limited,
(APEPDCL), P & T Colony, Seethmmadhara,
Vishakhapatnam, Andhra Pradesh
8. Southern Power Distribution Company of Andhra Pradesh Limited,
(APSPDCL), Srinivasasa Kalyana Mandapam Backside,
Tiruchanoor Road, Kesavayana Gunta,
Tirupati-517 501, Chittoor District, Andhra Pradesh
9. Central Power Distribution Company of Andhra Pradesh Limited,
(APCPDCL), Corporate Office, Mint Compound,
Hyderabad-500 063, Andhra Pradesh
10. Northern Power Distribution Company of Andhra Pradesh Limited,
(APNPDCL), Opposite NIT Petrol Pump,
Chaitanyapuri, Kazipet,
Warangal-506 004, Andhra Pradesh
11. Bangalore Electricity Supply Company Limited, (BESCOM),
Corporate Office, K.R. circle,
Bangalore-560 001, Karnataka
12. Gulbarga Electricity Supply Company Limited, (GESCOM),
Station Main Road, Gulbarga, Karnataka
13. Hubli Electricity Supply Company Limited, (HESCOM),
Navanagar, PB Road, Hubli, Karnataka
14. Mangalore Electric Supply Company Limited (MESCOM)
Paradigm Plaza, AB Shetty Circle,
Mangalore-575 001, Karnataka



15. Chamundeswari Electricity Supply Corporation Limited (CESC),
927, L J Avenue, Ground Floor,
New Kantharaj Urs Road, Saraswatipuram,
Mysore-570 009, Karnataka
16. Transmission Corporation of Telangana Limited,
Vidhyut Sudha, Khairatabad,
Hyderabad-500 082

.....Respondents

For petitioner : Shri K.K. Jain, PGCIL
Shri Rakesh Prasad, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.S. Raju, PGCIL
Shri Jasbir Singh, PGCIL

For respondents : Shri S. Vallinayagam, Advocate, TANTRANSCO

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff of 1x125 MVAR Bus Reactor at 400 kV Nagapattinam GIS alongwith associated bays and equipments, under "Transmission System associated with Common Transmission Scheme associated with ISGS Projects in Nagapattinam/Cuddalore Area of Tamil Nadu Part-A1(a)" in Southern Region in accordance with the 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 and the elements covered in the instant petition are as follows:-



Particulars	Name of the Asset	COD		Delay
		Scheduled	Actual	
Asset-I	1x125 MVAR Bus Reactor at 400 kV Nagapattinam GIS alongwith associated bays and equipments	2.10.2014	1.8.2016	22 months

3. During the hearing on 6.12.2016, 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 learned counsel for TANTRANSCO submitted that the petitioner should have impleaded IPPs who are the ultimate beneficiaries of the instant transmission system. Further, the scheme has not been discussed in the SRPC meetings after the first meeting held on 16.11.2010 and no PPA has been entered into by the petitioner. Therefore, the learned counsel for TANTRANSCO objected to the tariff claimed by the petitioner.

4. The issues raised by TANTRANSCO will be considered at the time of allowing final tariff. 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 and cost over-run in case of the instant asset, 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 asset for 2016-17 and 2017-18 in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 7 of this order.

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

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

Assets	(₹ in lakh)		
	2016-17 (pro-rata)	2017-18	2018-19
Asset-I	340.81	619.20	648.22

B. Annual transmission charges allowed are as below:-

Assets	(₹ in lakh)	
	2016-17 (pro-rata)	2017-18
Asset-I	272.65	495.36



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.

9. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 30.12.2016:-

- a) SCM/RPC approval of 1x125 MVAR Bus Reactor at 400 kV Nagapattinam GIS Sub-station;
- b) Detailed reasons for time over-run in commissioning of instant asset and chronology of the activities along with documentary evidence, as per the format below:-

Asset	Activity	Period of activity				Reason(s) for delay along with reference to supporting document
		Planned		Achieved		
		From	To	From	To	

- c) To clarify the difference in approved apportioned cost as per RCE mentioned in Form-5 as ₹3591.61 lakh and mentioned in para 7.1 of the petition as ₹3682.00 lakh;
- d) Revised Form-6 indicating the approved apportioned cost as per original Investment Approval and RCE;
- e) Supporting documents for proposed loan @7.97% as indicated in Form-9C;
- f) Explain and reconcile the difference in gross loan amount as on COD as mentioned in Form-9C, Form-12B and in IDC statement and to submit revised loan



wise reconciliation of gross loan between Form-9C, Form-12B and IDC calculation statement; and

- g) Clarify whether the capital costs indicated in Auditors' Certificate are on accrual basis or cash basis and to submit the details of capital cost as on COD on accrual basis alongwith undischarged liabilities as on COD and actual discharge of such liabilities i.e. by payment made during 2014-19 tariff period duly certified by the Auditors.

10. The additional information sought above is in terms of the Commission's order dated 6.5.2016 in Petition No.8/SM/2016, which has not been filed by the petitioner. The petitioner shall ensure that the above information is filed within the due date mentioned. In case, no additional information is filed within the said date, the matter shall be placed before the Commission for necessary orders.

11. The parties are directed to complete the pleadings by 27.1.2017. The matter shall be listed on 7.2.2017.

sd/-
(M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

