

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 26/TT/2016

Coram:

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

**Date of Hearing :22.03.2016
Date of Order : 16.05.2016**

In the matter of:

Determination of transmission tariff for LILO of 400 kV Kadapa-Kolar S/C line at NP Kunta and Establishment of 400/220 kV Sub-station at NP Kunta under "Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh–Part A (Phase-I)" from anticipated 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 Ltd.
(KPTCL) KaveriBhawan, Bangalore-560009
2. Transmission Corporation of Andhra Pradesh Ltd.
(APTRANSCO), VidyutSoudha
Hyderabad – 500082
3. Kerala State Electricity Board (KSEB)
VaidyuthiBhavanam, Pattom
Thiruvananthapuram – 695004



4. Tamil Nadu Electricity Board (TNEB)
NPKRR Maaligai, 800, Anna Salai
Chennai- 600002
5. Electricity Department
Government of Goa
VidyutiBhawan, Panaji
Goa- 403001
6. Electricity Department
Government of Pondicherry
Pondicherry- 605001
7. Eastern Power Distribution Company of Andhra Pradesh Ltd. (APEPDCL), P&T Colony,
Seethmmadhara, Vishakhapatnam, Andhra Pradesh
8. Southern Power Distribution Company of Andhra Pradesh (APSPDCL) SrinivasasaKalyana
Mandapam Backside, Tiruchanoor Road,
KesavayanaGunta, Tirupati- 517 501
Chittoor District, Andhra Pradesh
9. Central Power Distribution Company of Andhra Pradesh (APCPDCL), Corporate Office, Mint Compound,
Hyderabad- 500 063, Andhra Pradesh
10. Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL), Opp. NIT Petrol Pump,
Chaitanyapuri, Kazipet, Warangal- 506 004
Andhra Pradesh
11. Bangalore Electricity Supply Company Ltd. (BESCOM)
Corporate Office, K. R. Circle
Bangalore- 560 001, Karnataka
12. Gulbarga Electricity Supply Company Ltd.
(GESCOM), Station Main Road, Gulbarga
Karnataka
13. Hubli Electricity Supply Company Ltd.
(HESCOM), Navanagar, P. B. Road
Hubli, Karnataka



14. MESCOM Corporate Office
Paradigm Plaza, AB Shetty Circle
Mangalore- 575 001, Karnataka
15. Chamundeswari Electricity Supply
Corporation Ltd. (CESC), # 927,
L.J. Avenue, Ground Floor,
New KantharajUrsRoad,
Saraswatipuram, Mysore-570 009
Karnataka
16. Transmission Corporation of Telangana Limited
VidhyutSudha, Khairatabad
Hyderabad, 500 082
17. Andhra Pradesh Solar Power Corporation
Private Limited,
6-3-856/A3, Neeraj Public School Lane,
Opp. to Green Park Hotel, Ameerpet,
Hyderabad – 500 016

.....Respondents

For petitioner : Shri S.S.Raju, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Jasbir Singh, PGCIL
Shri AnshulGarg, PGCIL

For respondents : Ms. C. Lakshmi Devi, TANGEDCO
Shri R. Kathiravan, TANGEDCO
Shri S. Vallinayagam, TANGEDCO
Shri A. Venkateswarlu, APSPCL

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for transmission tariff for LILO of 400 kV Kadapa-Kolar S/C line at NP Kunta and Establishment of 400/220 kV Sub-station at NP Kunta under "Transmission System for



Ultra Mega Solar Park in Anantpur District, Andhra Pradesh-Part A (Phase-I)" for 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred as 2014 Tariff Regulations).

2. During the hearing on 22.3.2016, the representative of the petitioner submitted that as per the Investment Approval (I.A.) dated 3.6.2015, the instant assets are scheduled to be commissioned within 12 months from the date of I.A. i.e. by 3.6.2016. The instant assets are anticipated to be commissioned on 1.4.2016 and no time over-run is anticipated in commissioning of the instant assets. 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.

3. 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 (2010 Sharing Regulations). 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.



4. 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.

5. TANGEDCO has filed its reply vide affidavit dated 19.3.2016 and it has submitted that the petitioner is not entitled to claim tariff from the respondents other than the target beneficiaries of the Solar Power Projects for which the transmission system is developed and it is not liable to pay transmission charges for the instant asset.

6. In order dated 6.8.2015 in Petition No. 29/MP/2015 while granting regulatory approval for implementation of transmission assets covered in the instant petition, the Commission observed that the transmission charges for delay in commissioning of solar power generators shall be payable by such solar generators/SPPD on the same line as the liability for payment by the thermal and hydro generating stations in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014. The relevant portion of the aforementioned order is extracted below:-

33. With regard to recovery of transmission charges on account of delay in commissioning of solar generation, it has been clarified in the Statement of Reasons to the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and medium-term Open Access in inter-state Transmission and related matters) (Fifth Amendment) Regulations, 2015, and Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) (First Amendment) Regulations, 2015 that transmission charges for delay in commissioning of solar power



generators are required to be paid by such solar generators/SPPD on the same line as the liability for payment by the thermal and hydro generating stations in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014. The relevant portion of the Statement of Reasons is extracted as under:

“8.2.1 With regard to the suggestions of PGCIL, it is clarified that SPPD who shall apply for Connectivity/Long term Access shall be liable to deposit Application Bank Guarantee/Construction Bank Guarantee as required under Connectivity Regulation. Further, SPPD shall also be liable for payment of transmission charges for delay in commissioning of generator and relinquishment charges towards transmission access under Connectivity Regulations and Sharing Regulations. Regulation 7(1)(u) of the Sharing Regulations provides that "No transmission charges for the use of ISTS network shall be charged to solar based generation" is applicable only when the power is evacuated through the transmission system to the beneficiaries after the commercial operation of the generating station. Therefore, transmission charges for delay in commissioning of solar power generators shall be payable by such solar generators/SPPD on the same line as the liability for payment by the thermal and hydro generating station in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

8.2.2 With regard to delay of internal system, it is clarified that SPPD shall be executing internal system on behalf of solar power generators. The treatment of delay or other modalities should be covered in Agreement between solar power generators and SPPD. In regard to NTPC's comments on development of transmission matching with generation, it is clarified that CTU shall carry out coordination with the SPPD/solar power generators in accordance with Section 38 of the Act.”

7. Further, Regulation 3(1)(iii) of the Central Electricity Regulatory commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2015 provides as follows:-

“ISTS Scheme proposed by CTU, for which the Central Government authorised Solar Power Park Developer has sought long term access, and for which consultation with CEA and beneficiaries wherever identified has been held for setting up the ISTS scheme and the Solar Power Park Developer undertakes to bear all liabilities on behalf of the solar power generators to be set up in the Solar Park.”



8. Accordingly, SPPD vide letter dated 5.6.2015 has undertaken to bear all liabilities related to LTA and connectivity in accordance with the Regulations/orders framed/issued by the Commission on behalf of the Solar Power Generators to be set up in the NP Kunta Solar Park. Accordingly, we are of the view that SPPD shall be liable for payment of transmission charges for the period of delay in commissioning of solar power generators in line with the order dated 6.8.2015 in Petition No. 29/MP/2015 till commissioning of Solar Project and post commissioning of the Solar Project no transmission charges and losses shall be levied in accordance with the Regulation 7(1)(u) of the 2010 Sharing Regulations as amended from time to time.

9. Accordingly, CTU was directed to submit quarterly progress report as per Annexure to the abovementioned order including the status of execution of the transmission system for which regulatory approval has been accorded, the progress of solar based generation projects in the Solar Power Park and the internal transmission system within the solar park.

10. CTU has submitted, vide letter dated 15.1.2016, quarterly progress report as on 30.11.2015 containing status of progress of solar based generation projects in the Solar Power Park and the internal transmission system within the solar park. On perusal of the status filed by CTU, it is noticed that the solar project is not ready.

11. After carrying out preliminary prudence check of the AFC claimed by the petitioner, 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 2016-17 and 2017-18.

12. The details of the tariff claimed by the petitioner for the years 2016-17, 2017-18 and 2018-19 are ₹3358.10 lakh, ₹3452.19 lakh and ₹3405.13 lakh respectively. The tariff allowed for the year 2016-17 is ₹2854.39 lakh.

13. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 31.5.2016:-

- a) PGCIL is required to inform about the status of commissioning of the Asset. Petitioner is required to furnish COD letter as per actual COD and Auditor certificates along with all Tariff Forms. Such tariff forms should adhere to the requirements as mentioned in following points No. 02 to 09.
- b) In Form-4A (Statement of Capital Cost), indicate the liability included in the Gross Block.
- c) Details of un-discharge liability as on COD corresponding to the elements and year wise discharge of liabilities by payment & by reversal duly certified by the Auditor.
- d) Whether entire amount of initial spares claimed has been discharged as on COD? If not, submit the year wise details of liability discharged and undischarged w.r.t. initial spare. Also clarify whether the undischarged liability as on COD for initial spares are adjusted in estimated additional capitalisation or not.
- e) Form 12B (Draw Down Schedule for calculation of IDC & Finance Charges), duly filled all column for all quarters. Also provide the computation of interest during construction along with editable soft copy in Excel format with links for the asset
 - (i) from the date of infusion of debt fund up to scheduled COD and from scheduled COD to actual Date of Commercial Operation (in case the actual COD falls after scheduled COD) OR
 - (ii) from date of infusion of debt fund up to actual COD as per Regulation 11 (A) (1) of Tariff Regulation, 2014 (in case the actual COD falls within scheduled COD)
- f) Form 15 (Actual Cash Expenditure), by clearly showing the quarter wise payment to contractors/suppliers and% of fund deployment up to actual COD.



- g) Form 14 (Other Income as on COD).
- h) Whether any of assets de-capitalized / asset has been kept not in use due to commissioning of the assets covered in the instant petition. If yes, provide the details like date of de-cap/asset not put to use, Gross block, Cumulative depreciation till the date of De-cap.
- i) Supporting documents for proposed loan @ 8.40%.
- j) Editable Soft copy (Excel format) of all the tariff forms along with petition soft copy (in .doc format)
- k) Statement specifying the reasons of additional ROE as claimed in the current petition.
- l) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & electricity Supply) Regulations, 2010 for the asset covered in the instant petition.
- m) RLDC charging certificate for the assets as mentioned in the petition.
- n) Copy of LTA signed with SPPDs.

-sd-
(Dr. M.K. Iyer)
Member

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(A.S. Bakshi)
Member

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(A.K. Singhal)
Member

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(Gireesh B. Pradhan)
Chairperson

