

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 215/TT/2016

Subject : Determination of transmission tariff for Asset-1) 2 Nos. 400 KV Line bays at Narendra (New), 2 Nos. 400 kV line bays at Madhugiri (Tumkur), 2X63 MVAR (fixed) line reactors (with 600 ohm NGRs) at Narendra (New) and 2X63 MVAR (fixed) line reactors (with 600 ohm NGRs) at Madhugiri (Tumkur) for Narendra (New)-Madhugiri (Tumkur) 765 kV D/C line (initially charged at 400 kV), Asset-2) 2 Nos. 400 kV line bays at Madhugiri (Tumkur) for Madhugiri (Tumkur)-Bidadi 400 kV D/C (Quad) line and Asset-3) 2 Nos. 400 kV line bays at Bidadi for Madhugiri (Tumkur) - Bidadi 400KV D/C (Quad) line under "Sub-station extension works associated with transmission system required for evacuation of power from Kudgi TPS (3 X 800 MW in Phase -I) of NTPC Limited" 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.

Date of Hearing : 20.6.2017

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

Petitioner : Power Grid Corporation of India Limited (PGCIL)

Respondents : Karnataka Power Transmission Corporation Ltd. & 17 others

Parties present : Shri S.K. Venkatesan, PGCIL
Shri Rakesh Prasad, PGCIL
Shri B. Dash, PGCIL
Shri Jasbir Singh, PGCIL
Shri S. Vallinayagam, Advocate, TANGEDCO



Record of Proceedings

The representative of the petitioner submitted as under:

(a) The present petition has been filed for determination of transmission tariff from COD to 31.3.2019 for 3 Nos. of assets under "Sub-station extension works associated with transmission system required for evacuation of power from Kudgi TPS (3 X800 MW in Phase-I) of NTPC limited" in Southern Region.

(b) As per the Investment Approval, the instant assets were scheduled to be commissioned on 4.12.2015, however, Assets-I, II and III were commissioned on 24.9.2016, 25.8.2016 3.4.2017. Hence, there time over-run of about 10 months in commissioning of Assets-I and III and 9 months in case of Asset II. There is no cost over-run in case of instant assets.

(c) The documents such as un-discharged liability, CEA certificate, actual COD certificate of Asset III, RLDC certificate, initial spares, computation of IDC of Asset III, proposed loan and RCE as directed by the Commission vide Order dated 6.3.2017 have been submitted vide affidavit dated 12.6.2017.

2. Learned counsel for the TANGEDCO, Respondent No. 4, submitted as under:-

(a) The petitioner has provisioned 400 kV line bays for Narendra (New)-Madhugiri 765 kV D/C transmission line (initially charged at 400 kV) and the petitioner has contended that in future the same shall be upgraded to 765 kV line bays. The tentative schedule for charging the line at 765 kV has not been provided by the petitioner. Further, when the instant transmission line is charged at 765 kV, the existing 400 kV bays shall be redundant and replacement of the same would lead to additional cost leading and burden on the beneficiaries'.

(b) There is time over-run in case of all the three assets. The time over-run in case of Assets I and II is attributable to the phasing of commissioning of these assets to match with the commissioning of the Narendra-Madhugiri 765 kV D/C line and Madhugiri-Bidadi 400 kV D/C line executed by Kudgi Transmission Limited and in case of Asset 3, the delay is attributable to the petitioner. Therefore, the transmission charge for the delayed period has to be recovered from Kudgi Transmission Limited and should not be passed on to the beneficiaries, as per decision of the Commission in Petition Nos. 236/MP/20125 and 201/TT/2015.

(c) There is cost variation in respect to all the three assets, even though all the assets are identical in nature and executed in the same period. While there is cost over-run in case of Asset III, there is over estimation of cost in case of Asset II whereas in case of Asset I, there is no deviation from the estimated cost. This indicates that petitioner has not adopted prudent methods in cost estimation and as such, cost of the Asset-III should be restricted to the approved cost and the



petitioner should be directed to furnish the reason for the variation in cost of assets.

(d) The IDC and IEDC should be restricted up to the scheduled COD i.e. 4.12.2015 and on cash basis.

(e) There is no provision in 2014 Tariff Regulations for revising the normative O&M charges based on the actual and therefore, the request of the petitioner for revision of O&M rates based on anticipated wage revision should be disallowed.

3. In response, the representative of the petitioner submitted that the reasons for cost variation would be submitted.

4. The Commission vide order dated 6.3.2017 directed the petitioner to clarify "whether the petitioner carried out system studies while planning interim arrangement? If yes, submit the details." The Commission observed that the petitioner has submitted that system studies were carried out and in support of that the petitioner has submitted the load flow schematic diagram. But it is not clear from that, what was finding/observation of system studies carried out. Accordingly, the Commission directed the petitioner to submit the detailed write-up and copy of system studies carried out and also whether the interim arrangement has been removed?

5. The Commission also directed the petitioner to submit the following information by 21.7.2017 with a copy to the respondents:-

(a) The reasons for cost under-run in respect of Asset II and cost over-run with respect to Asset III

(b) Details of capital cost as on COD on accrual basis, un-discharged liabilities as on COD and actual discharge of such liabilities (by payment) made during 2014-19 tariff period, duly certified by the Auditor for all the assets.

(c) In Form-4A for Asset III (Statement of capital cost), indicate the liability included in the Gross Block.

(d) Duly filled Form-4C, Form 5, Form 5A and Form 15 for Asset III.

6. The respondents are directed to file their reply by 4.8.2017 and the petitioner to file rejoinder, if any, by 18.8.2017. The Commission further observed that no extension of time shall be granted.



7. The Commission directed to list the petition for further hearing on 24.8.2017.

By order of the Commission

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(T. Rout)
Chief (Law)

