

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 235/TT/2016

- Subject : Approval of transmission tariff for Tuticorin Pooling Station-Salem Pooling Station 765 kV D/C line (initially charged at 400 kV) alongwith Bay extensions at Salem Pooling Station and Tuticorin Pooling Station and 80 MVAR Line Reactors at each end of both circuits of Tuticorin Pooling Station-Salem Pooling Station 765 kV D/C line (initially charged at 400 kV), under “Transmission System associated with Common System associated with Coastel Energen Private Limited and Ind-Bharat Powers (Madras) Limited LTOA Generation Projects in Tuticorin Area-Part-B” in Southern Region from COD to 31.3.2019.
- Date of Hearing : 7.2.2017
- 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 Limited and 18 others
- Parties present : Shri Jasbir Singh, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.S. Raju, PGCIL
Shri Aryaman Saxena, PGCIL
Shri S. Vallinayagam, Advocate, TANGEDCO
Shri E. Shyamala, TANGEDCO
Shri R. Kathravan, TANGEDCO

Record of Proceedings

The representative for the petitioner submitted that instant petition is filed for determination of transmission tariff for Tuticorin Pooling Station – Salem Pooling Station 765kV D/C line (initially charged at 400kV) along with Bay extensions at Salem PS and Tuticorin Pooling Station and 80 MVAR Line Reactors at each end of both circuits of Tuticorin Pooling Station – Salem Pooling Station 765kV D/C line (initially charged at



400kV). The schedule date of completion of the instant asset was 18.9.2014 and the asset was commissioned on 13.11.2016. Hence, there is time over-run 25 months in commissioning of the asset. There is cost over-run of ₹415 crore and the Revised Cost Estimate (RCE) for the project is under preparation and will be submitted.

2. Learned counsel for TANGEDCO submitted that the petitioner has commissioned the instant asset at 400 kV level though they were planned at 765 kV level. As per Procedure, Terms and Conditions for grant of Transmission License and other related matters Regulations, 2009, the petitioner needs to first fulfill the augmentation of the transmission system as identified for grant of LTA and identify the beneficiaries before construction of the lines. No prior approval of the Commission has been taken in case of failure to firm up exact source of supply or destination for availing LTA. The petitioner has declared COD of the 400 kV D/C line between Salem pooling station- Salem 400 kV SS without bringing it to beneficial use. Therefore, the petitioner needs to place on record the details of system studies conducted before declaring COD of the said line.

3. In response, the representative of the petitioner submitted that the requirement of informing the CTU for firming exact source of supply or destination, 3 years prior to the intended date of availing long term access has been withdrawn by an amendment to the Connectivity Regulation. Further, submitted that several actions have been taken to put to use the transmission system for alternate purpose and requisite action has been taken against defaulters. He submitted that Coastal Energy has commissioned dedicated line and generating units. The petitioner has duly constructed a 765 kV sub-station along with 765 kV transmission lines, the 400 kV bays has been implemented after due deliberation and approval of the RPCs.

4. The Commission directed the petitioner to clarify the issues raised by the respondent and to submit the RCE and the following information, on affidavit by 10.3.2017 with a copy to the respondents:-

- (a) The amount of liabilities shown in Form 5 is ₹10686.42 lakh. But the liabilities amount shown in Form 4A is ₹2817.04 lakh (which is equal to accrued IDC). The amount claimed as Projected Additional Capital expenditure as in Form 7 under Regulation 14(1)(i) (i.e. towards undischarged liabilities) is ₹13503.44 lakh (which is the sum of ₹10686.42 lakh and ₹2817.04 lakh. It is not clear how much liabilities have been recognized as on actual COD in the books of account. Justify the difference in liabilities and clarify the amount of capital cost actually capitalized as on COD on accrual basis in books of account and the liabilities there on.
- (b) Provide the details of FERV along with loan wise computation of FERV matching with the FERV claim mentioned in the auditor certificate.
- (c) As per Form 5, the IDC, FC & FERV cost as per original estimate was ₹8605 Lakh for estimated commissioning period of 36 months. But the actual IDC, FC & FERV claimed for actual commissioning is ₹28833 lakh for



61 months (i.e. from its investment approval to actual commissioning). There is a variation of 3.35 times from its original estimate. Justify the huge difference separately for the reason due to time over run and due to other reasons.

(d) Submit actual discharge particulars of Initial spare.

5. The Commission directed the respondents to file their reply by 27.3.2017 with an advance copy to the petitioner who shall file its rejoinder, if any by 3.4.2017. The Commission further directed the parties to comply with the above directions within the specified dates and no extension will be granted. In case the information is not filed within the specified dates, the matter will be disposed on the basis of the information available on record.

6. Subject to the above, the Commission reserved the order in the matter.

By order of the Commission

sd/-
(T. Rout)
Chief (Law)

