

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 58/TT/2017

Coram:

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

Date of Order : 7.7.2017

In the matter of:

Approval for transmission tariff from anticipated DOCO to 31.3.2019 for 1X125MVAR 400KV Bus reactor at Hassan, Trivandrum, Narendra (New), Gooty, Khammam, Nellore (Existing), Nagarjunasagar, 400/220 kV, 1X500 MVA transformer at Madurai Sub-station along with associated bays and equipments, Replacement of 7X 167 MVA, 400/220 kV ICTs with 2 X 500 MVA ICT at Somanhalli Sub-station (The replaced ICT shall be maintained as a regional spare), Replacement of 1x50 MVAR Bus reactor with 1x125 MVAR Bus reactor at 400/220 kV Narendra Sub-station (The Replaced Bus reactor shall be maintained as a regional spare), 1x63 MVAR Switchable Line reactors at Nellore Pooling Station on each circuit of Nellore pooling station-Gooty 400 kV Quad D/C Line along with associated bays and equipments and Procurement of 01 Nos. 500 MVA, 765/400 kV Regional Spare ICTs at Raichur and Thiruvalem under System Strengthening-XXIII in Southern Region for the 2014-19 tariff period.

And in the matter of:

Power Grid Corporation of India Limited
Saudamini, Plot No. 2, Sector-29,
Gurgaon-122 001 (Haryana)

...Petitioner

Vs

1. Karnataka Power Transmission Corporation Ltd., (KPTCL),
Kaveri Bhavan, Bangalore – 560 009
2. Transmission Corporation of Andhra Pradesh Ltd., (APTRANSCO),
Vidyut Soudha, Hyderabad– 500082
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 403001
6. Electricity Department
Government of Pondicherry,
Pondicherry – 605001
7. Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)
APEPDCL, P&T Colony, Seethammadhara,
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)
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, GULBURGA, Karnataka
13. Hubli Electricity Supply Company Limited (HESCOM)
Navanagar, PB Road, Hubli, Karnataka
14. Mescom Corporate Office,
Paradigm Plaza, AB Shetty Circle,
Mangalore-5750009, Karnataka
15. Chamundeswari Electricity Supply Corporation Ltd., (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, 500082

.....Respondents

For petitioner : Shri S.S Raju, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri Jasbir Singh, PGCIL
Shri Rakesh PD, PGCIL

For respondent : Shri S. Vallinayagam, Advocate, TANGEDCO

ORDER

Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for determination of tariff for 1X125 MVAR 400 kV Bus reactor at Hassan, Trivandrum, Narendra (New), Gooty, Khammam, Nellore (Existing), Nagarjunasagar, 400/220 kV, 1X500 MVA transformer at Madurai Sub-station along with associated bays and equipments, Replacement of 7X 167 MVA, 400/220 kV ICTs with 2 X 500 MVA ICT at Somanhalli Sub-station under System Strengthening-XXVIII in the Southern Region for 2014-19 tariff period 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 (AFC) claimed in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

2. The petitioner claimed tariff for the instant assets in the petition on the basis of anticipated COD. Later, vide affidavit dated 12.5.2017, submitted the actual date of commissioning of instant assets. The details of the elements covered in the instant petition and their COD are as follows:-



Sr. No.	Name of the Asset	Scheduled COD	Anticipated COD as per the petition	Actual COD
1.	Asset I 1X 125 MVAR 400 kV Bus reactor at Hassan along with associated bays and equipments,	29.7.2017	30.12.2016	18.12.2016
2.	Asset II 400/220 kV, 1X500 MVA transformer at Madurai Sub-station along with associated bays and equipments	29.7.2017	30.12.2016	31.12.2016
3.	Asset III 1x125 MVAR 400 kV Bus reactor at Trivandrum along with associated bays and equipments,	29.7.2017	30.12.2016	26.1.2017
4.	Asset IV 1x 125 MVAR 400 kV Bus reactor at Narendra (New) along with associated bays and equipments,	29.7.2017	30.12.2016	30.12.2016
5.	Asset V(a) Replacement of 3X 167MVA, 400/220 kV ICTs with 1 X 500 MVA ICT at Somanhalli S/S along with associated bays and equipments	29.7.2017	30.12.2016	16.3.2017
	Asset V(b) Replacement of 4X 167MVA, 400/220 kV ICTs with 1 X 500 MVA ICT at Somanhalli S/S along with associated bays and equipments	29.7.2017	15.12.2016	31.3.2017
6.	Asset VI Replacement of 1x50 MVAr Bus reactor with 1x125 MVAr Bus reactor at 400/220 kV Narendra S/S	29.7.2017	15.12.2016	25.1.2017
7.	Asset VII 1X 125 MVAR 400 kV Bus reactor at Gooty along with associated bays and equipments	29.7.2017	1.4.2017	28.3.2017
8.	Asset VIII 1X 125 MVAR 400 kV Bus reactor at Khammam along with associated bays and equipments,	29.7.2017	1.4.2017	28.3.2017
9.	Asset IX 1X 125 MVAR 400 kV Bus reactor at	29.7.2017	1.4.2017	28.3.2017



	Nellore (existing) along with associated bays and equipments			
10.	Asset X 1X 125 MVAR 400 kV Bus reactor at Nagarjunasagar along with associated bays and equipments,	29.7.2017	1.4.2017	28.3.2017
11.	Asset XI 1x63 MVA Switchable Line reactors at Nellore Pooling Station on each ckt. of Nellore Pooling Station-Gooty 400 kV Quad D/C Line.	29.7.2017	1.4.2017	28.3.2017
12.	Asset XII Procurement of 01 Nos. 500 MVA, 765/400 kV Regional Spare ICTs at Raichur	29.7.2017	1.4.2017	31.5.2017
13.	Asset XIII Procurement of 01 Nos. 500 MVA, 765/400 kV Regional Spare ICTs at Thiruvalem	29.7.2017	31.1.2017	28.3.2017

3. During the hearing on 11.5.2017, the representative of the petitioner requested to grant AFC in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

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) provides that such an application shall be filed as per Annexure-I of these regulations.



5. The petitioner has made the application 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. We have considered the submissions of the petitioner. The petitioner has submitted the actual date of commissioning of the instant assets vide affidavit dated 12.5.2017. The instant assets were scheduled to be commissioned on 29.7.2017 and they were actually commissioned on various dates before the scheduled commissioning as per the details given in table under para 2. The petitioner has submitted that Asset V has been split in two parts namely Assets V(a) and V(b). However, corresponding tariff forms have not been submitted by the petitioner. Further, Assets V(a) and V(b) i.e. ICTs alongwith associated bays and equipments at Somanhalli Sub-station would replace the existing ICTs and similarly, Asset VI, i.e. the existing Bus Reactor at Narendra Sub-station would also be replaced by 1X125 MVAR 400 kV Bus Reactor. We are of the view that the petitioner should claim tariff for the replaced ICTs and Bus Reactors separately with reference to the tariff of the assets sought to be replaced. Further, we are not inclined to grant AFC for Assets XII and XIII, i.e. Regional Spare ICTs at Raichur and Thiruvallur, at this stage. The petitioner is directed to submit a comprehensive list of Regional Spare ICTs, including Bus Reactors, line reactors, etc. their gross value, year of purchase and petition number in which tariff was granted/claimed. Accordingly, AFC is not allowed for these ICTs and Bus Reactors in this petition. After carrying out a preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the cost variation in case of the assets covered in the instant petition, which shall be



looked into in detail at the time of issue of final tariff, the Commission has decided to allow tariff for Assets I, II, III, IV, VII, VIII, IX, X and XI in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for the years 2016-17, 2017-18 and 2018-19 for inclusion in the PoC charges as per para 7 of this order.

7. The details of the tariff claimed by the petitioner and tariff awarded by the Commission are as follows:-

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

(₹ in lakh)

Srl. No.	Asset	2016-17	2017-18	2018-19
1	Asset- I	62.12	264.41	275.41
2	Asset – II	118.94	508.70	524.77
3	Asset – III	73.00	313.79	324.78
4	Asset – IV	49.74	210.52	218.63
5	Asset – V	154.03	674.51	699.69
6	Asset -VI	45.94	165.27	166.33
7	Asset -VII	0.00	273.02	282.64
8	Asset -VIII	0.00	267.39	276.90
9	Asset -IX	0.00	254.95	265.40
10	Asset -X	0.00	255.76	270.66
11	Asset -XI	0.00	459.37	477.99
12	Asset -XII	0.00	225.06	240.66
13	Asset -XIII	35.31	226.56	240.09

B. Annual transmission charges allowed are as follows:-

(₹ in lakh)

Srl. No.	Asset	2016-17	2017-18	2018-19
1	Asset- I	45.63	171.59	178.73
2	Asset-II	77.83	336.56	347.19
3	Asset - III	36.96	225.92	233.83
4	Asset - IV	38.84	164.38	170.71
5	Asset -VII	0.00	184.86	191.37
6	Asset -VIII	0.00	190.98	197.78
7	Asset-IX	0.00	181.43	188.87
8	Asset -X	0.00	184.67	195.43
9	Asset -XI	0.00	316.01	328.82

8. The petitioner is directed to submit the following information on affidavit by 21.7.2017, with an advance copy to the beneficiaries:-



- a. Auditor Certificate and revised tariff forms based on actual commissioning of the assets.
 - b. Actual COD of Asset XII covered in the instant petition.
 - c. RLDC Certificate for charging of assets.
 - d. CEA certificate under Regulation 43 of CEA (Measures Related to Safety and Electricity supply) Regulations, 2010.
 - e. CMD Certificate as required under Grid Code.
 - f. With regard to additional capital expenditure on account of balance and retention payment, submit the nature/works against the payment is withheld.
 - g. With regard to Asset-XI, the petitioner has submitted RPC/SCM approval for 80 MVAR switchable line Reactor. However, the petitioner has claimed for 63 MVAR line Reactor. Clarify the same.
 - h. Life of replaced ICTs at Somanhalli, its decapitalisation value, petition number in which original assets were claimed, life of replaced 50 MVAR bus reactor at Narendra Sub-station and its decapitalisation value.
 - i. A comprehensive list of Regional Spares including bus reactor, line reactor, ICTs etc. Their gross value, year of purchase and petition number in which tariff was granted/claimed.
 - j. Requirement of regional spares vis a vis their current availability status.
9. The respondents to file their reply by 8.8.2017 with an advance copy to the petitioner who shall file its rejoinder, if any by 18.8.2017. The parties shall comply with the above directions within the due date mentioned above and no extension of time shall be granted.
10. The petition shall be listed for final hearing on 24.8.2017.

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

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

