

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 174/TT/2018**

**Subject** : Approval of transmission tariff from COD to 31.3.2019 for assets under Conversion of Fixed Line Reactors to Switchable Line Reactors in Southern Region.

**Date of Hearing** : 13.12.2018

**Coram** : Shri P.K. Pujari, Chairperson  
Dr. M. K. Iyer, Member

**Petitioner** : Power Grid Corporation of India Limited (PGCIL)

**Respondents** : Karnataka Power Transmission Corporation Ltd. (KPTCL)  
and 15 others

**Parties present** : Shri S. Vallinayagam, Advocate, TANGEDCO  
Shri R. Kathiravan, TANGEDCO  
Shri Pankaj Sharma, PGCIL  
Shri S. K. Venkatesan, PGCIL  
Shri S. S. Raju, PGCIL  
Shri Vivek Kumar Singh, PGCIL  
Shri Zafrul Hasan, PGCIL

**Record of Proceedings**

The representative of the petitioner submitted that the instant petition is filed for determination of tariff for “conversion of fixed line reactors to switchable line reactors in Southern Region”. He submitted that as per the Investment Approval dated 28.2.2017, the scheduled COD of the instant assets was 27.8.2018. He submitted that the Asset-I and II were put into commercial operation on 26.2.2018 and 25.6.2018 respectively and part of Asset-III was put into commercial operation on 24.5.2018. He also submitted that the estimated completion cost of the instant asset is within the FR approved apportioned cost. He requested to grant AFC in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for inclusion in PoC mechanism.

2. The Commission observed that as per the submissions of the petitioner, the instant petition is for determination of tariff for the conversion of the fixed line reactors in the Southern Region to switchable line reactors. The tariff for the existing line reactors in various sub-stations must have already been granted in different petitions and the petitioner should have claimed the cost of the conversion from fixed to switchable line



reactors in the respective tariff petitions. The Commission also observed that grant of the conversion charges in the instant petition would amount to grant of two streams of tariffs for the same reactor. The Commission directed the petitioner to give reasons for converting the line reactor to switchable line reactors and not claiming these conversion charges from fixed to switchable reactors in the concerned petitions though a separate Investment Approval was granted for the said conversions. The Commission also stated that the tariff for the instant reactors would be considered after the receipt of the above said reasons.

3. The Commission further directed the petitioner to submit the above mentioned reasons and following information, on affidavit by 7.1.2019 with an advance copy to the respondents:-

- a. CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 for Asset-II and Asset-III.
- b. How line reactor will be converted to switchable line reactor?
- c. The revised tariff forms for Asset-II and Asset-III based on the actual COD and Auditors Certificate.
- d. With regard to additional capital expenditure, the details of undischarged liability and reasons for withholding the payments.
- e. As per the Auditor certificate pertaining to Asset-I, the capital expenditure for the period from 1.4.2017 to COD (i.e. 25.2.2018) has been verified from "un-audited books of the petitioner". This may be at variance with the audited books. Accordingly, submit the same based on information drawn from audited books of accounts. Further, in case of variance between the two, amend the tariff Forms appropriately.
- f. Since, Asset-III(b) has been deleted from the scope of work, furnish the break-up of apportioned cost of ₹674.02 lakh between Asset-III(a) and Asset-III(b), so as to ensure that there is no cost over-run.
- g. Clarify the impact of deletion of Asset-III(b) from the scope of work on SCOD.

4. The Commission directed the respondents to file their reply by 21.1.2019 with an advance copy to the petitioner who shall file their rejoinder, if any, by 29.1.2019. The Commission further directed the parties to comply with the above directions within the specified timeline and observed that no extension of time shall be granted.

5. The next date of hearing will be intimated to the parties in due course of time.

By order of the Commission

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

