

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 105/TT/2019

- Subject** : Petition for determination of tariff from COD to 31.3.2019 for Common System Associated with Coastal Energen Private Limited and Ind-Bharat Power (Madras) Limited LTOA Generation Projects in Tuticorin Area – Part-B” in Southern Region pursuant to directions of the Commission in Review Petition No. 40/RP/2017.
- Date of Hearing** : 18.11.2019
- Coram** : Shri P.K. Pujari, Chairperson
Dr. M. K. Iyer, Member
Shri I.S. Jha, Member
- Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : Tamil Nadu Generation and Distribution Corporation Ltd. & 18 Others.
- Parties present** : Shri Aryaman Saxena, Advocate, PGCIL
Shri Karan Arora, Advocate, PGCIL
Shri S.S. Raju, PGCIL
Shri Amit Kumar Jain, PGCIL
Shri Zafrul Hasan, PGCIL
Shri Vivek Kumar Singh, PGCIL

Record of Proceedings

Learned counsel for the petitioner submitted that the present petition is filed for determination 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 PS 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 Coastal Energen Private Limited and Ind-Bharat Power (Madras) Limited LTOA Generation Projects in Tuticorin Area-Part-B” in Southern Region pursuant to the direction of the Commission vide order dated 6.11.2018 in Review Petition No. 40/RP/2017.

2. He submitted that in terms of Commission’s order dated 6.11.2018 in Petition No. 40/RP/2017, the basis for arriving at the cost estimate for all equipment for transmission line and sub-stations is based on Schedule of Rates for March, 2011 price level by taking into consideration the average of unit rates of latest



bids/LOAs/raw material prices and the same includes applicable taxes, the details of which is available on file from page nos. 230 to 237. He further explained that they follow robust and time-tested system of preparing cost estimates before obtaining Investment Approval and thereafter letters are issued to executing agencies after assessment of bid price as against the estimated cost before award of contracts. Regarding reasons recorded by Board of Directors, he submitted that the objective of the transmission asset was explained to their Board of Directors. He submitted that since the RCE of the project varied by more than 20% of the approved cost, it was examined by a Committee of Executive Directors on 8/9.11.2016 which on appreciation of facts that the increase in cost of the project was mainly due to increase in land and compensation, price variation, variation in quantities of approved items, increase in IDC etc., approved the same. Further, the CoIP in its meeting dated 9.2.2017 considered the minor increase in cost owing to IDC and IEDC and approved the same. He explained the detailed account of head-wise variation in cost which mainly included land acquisition, compensation towards tower footing and damages to land under corridor, compensation towards railway crossing, compensation towards crop, tree and PTCC and compensation towards forest. He submitted that all the aforesaid details are available in the present petition from page no. 14 to 23.

3. Learned counsel for TANGEDCO submitted that the estimated completion cost of the asset is ₹1789.05 crore whereas Form 4C mentions the same to be ₹1756.58 crore. He submitted that the present petition is liable to be rejected as the petitioner has furnished estimated expenditure for 2016-17 and 2017-18 despite the assets being executed on 13.11.2016. He asserted that additional claim of ₹64.61 crore for FERV is not substantiated by documents indicating the actual infusion of debt fund and impact on account FERV. Besides this, he referred to para 43 of the Commission's order dated 31.5.2010 in Petition No. 233 of 2009 and submitted that the project developers of IPPs who have given consent to bear the transmission charges till the time beneficiaries are firmed up are required to pay the cost of the transmission system and it should not be socialized. He also made a reference of SRPC meeting dated 25.11.2010 wherein PGCIL clarified that the States were not being asked to pay for transmission and liability for the same rested with the IPPs till the firm beneficiaries are identified. Besides this, he referred to amended clause 5 of Regulation 8 of the 2010 Sharing Regulations to submit that in case a DIC is not materializing either partly or fully, the concerned DIC shall pay the transmission charges allocated under the regulations. He submitted that in the present case, the asset was put into commercial operation on 13.11.2016 and the date of relinquishment by Coastal Energen is 1.3.2018. Similarly, in the case of Ind Barath, the date of relinquishment is mentioned as 1.12.2016 and 2.5.2018 for 495 MW and 405 MW respectively. He submitted that in both the said cases, no details of bilateral billing are there on record.

4. The Commission directed the petitioner to file the details of bills raised on Coastal Energen and Ind-Barath as well as details of relinquishment charges on affidavit by 13.12.2016 with a copy of the same to the respondents. The Commission further directed the respondents to file their reply to the petition by 20.12.2019 with an advance copy of the same to the petitioner and the petitioner to file rejoinder if any, by 30.12.2019. The Commission also allowed the prayer of TANGEDCO to file



“written submissions” by 10.12.2019. The parties are directed to comply with the directions within the timeline specified and no extension of time shall be granted.

5. The petition shall be listed for final hearing in due course of time for which separate notice will be issued.

By order of the Commission

sd/-
(V. Sreenivas)
Dy. Chief (Law)

