

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 367/TT/2018

- Subject** : Petition for determination of transmission tariff of “Salem Pooling Station-Madhugiri Pooling Station 765 kV S/C Line (initially charged at 400 kV) along with associated Bays & equipments at Salem PS and Madhugiri PS and 400 kV 63 MVAR line reactor at Madhugiri end only of the Salem Pooling Station-Madhugiri 765 kV S/C Line (Initially charged at 400 kV) under Common System Associated with Coastal Energen Private Limited & Ind-Bharat Power (Madras) Limited LTOA Generation Projects in Tuticorin Area-Part-B” in Southern Region
- Date of Hearing** : 11.7.2019
- Coram** : Shri P. K. Pujari, Chairperson
Dr. M.K. Iyer, Member
Shri I.S. Jha, Member
- Petitioner** : Power Grid Corporation of India Limited
- Respondent** : Karnataka Power Transmission Corporation Ltd. & 17 Ors.
- Parties present** : Shri S. Vallinayagam, Advocate, TANGEDCO
Shri S. Anadi, TANGEDCO
Shri Zafrul Hasan, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri S. S. Raju, PGCIL

Record of Proceedings

The representative of petitioner submitted that there is a time over-run of 49 months in case of the instant asset mainly due to RoW issues and court cases. There is also cost over-run mainly due to higher compensation and cost of transmission line and increase in IDC, IEDC and FERV. He submitted that the justification for cost over-run has already been submitted by the petitioner. He requested to condone the time over-run as it is beyond the control of the petitioner and also requested to consider the revised cost submitted by the petitioner while allowing the tariff. The representative of petitioner submitted that all tariff forms along with RLDC certificate have been submitted and requested to allow tariff as prayed.

2. Learned counsel for TANGEDCO submitted from its reply as under:-

- (a) The petitioner has failed to comply with the guidelines of the Commission in order dated 31.5.2010 in Petition No.233/2009 regarding phased implementation of the



project matching with the generation projects and also the statutory requirements under the Regulations 12 and 27 of the Connectivity Regulations, 2009.

- (b) The transmission system was evolved exclusively for power evacuation from the two IPPs viz. Coastal Energen Pvt. Ltd. and Ind-Bharat Power (Madras) Ltd and it was assured that except for the LTA quantum for which beneficiaries has been identified, the liability of the transmission charges would continue to be on IPPs. However, among the IPPs, only CEPL has commissioned its project and out of the total envisaged LTA quantum of 2000 MW, only 558 MW has been firmed up by TANGEDCO and the remaining LTA quantum is untied /not firmed up.
- (c) In the absence of both generation as well as target beneficiaries, the petitioner has failed to ascertain the requirement of the whole transmission system intended to develop for evacuation of power without any possibility of bringing the generators and end beneficiaries into the network connectivity.
- (d) Reliance was also placed on the judgment of APTEL dated 4.10.2018 in Appeal No. 151 of 2015, in the matter of Bharatiya Nabhikiya Vidyut Nigam Limited v. Power Grid Corporation of India Limited in support of the submission that the IPPs on whose behest the line was created should bear the charges and that they cannot be spared from the liability on account of relinquishment of LTA.
- (e) By the submissions that the said transmission system is a part of the meshed network and being utilised for transfer of power in the central grid, the petitioner cannot circumvent it obligation under Section 38(2)(c) of the Electricity Act, 2003.
- (f) The reasons for time over-run are not truly translating the cause of the delay since there were obstructions only in a few locations. The project being executed under cost plus route, the petitioner should have been more prudent in surveying and fixing the optimal route so as to optimize the completion time and cost.
- (g) The apportioned approved cost is Rs.33278.14 lakh and estimated completion cost is Rs.76070.13 lakh. The cost overrun is Rs.42791.99 lakh i.e., there is an increase of 128.6% which is unacceptable.
- (h) The petitioner has not explained how the decreasing trend in the price indices has attributed to increase in prices of the individual items supplied by their contractors. The petitioner has not placed on record, the details like date of commencement of supply of each equipment / material / work and date of completion of supply /work.
- (i) The petitioner has not furnished the quantum of increase in towers /tower parts, insulators and decrease in length of conductors as well as justification for such huge deviations.
- (j) The petitioner has also claimed Rs.4.5 crore towards the procurement of tools and plants which is clearly unjustifiable.



- (k) The petitioner's claim of Rs.170.55 crore towards land cost, compensation for tower footing, crop, tree and PTCC is unjustified as petitioner has also included the anticipated payments. The petitioner is liable to produce the actual dispersal of payments.
- (l) The additional claim of Rs.81.61 crore on account of FERV is not supported by details of actual infusion of debt fund and the impact on account of ERV.
3. The petitioner is directed to submit its clarifications on the issues raised by TANGEDCO on affidavit with an advance copy to the respondents by 2.8.2019.
4. Subject to above, the Commission reserved order in the petition.

By order of the Commission

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

