

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 17/TT/2020

Subject	:	Petition for truing up of transmission tariff of the 2014-19 period and determination of tariff of the 2019-24 period for five assets under System Strengthening Scheme XIII in the Southern Region.
Date of Hearing	:	22.7.2020
Coram	:	Shri I. S. Jha, Member Shri Arun Goyal, Member
Petitioner	:	Power Grid Corporation of India Limited
Respondents	:	Tamil Nadu Generation and Distribution Corporation Ltd. & 17 Others
Parties present	:	Shri Shahbaaz Hussain, Advocate for KPTCL Shri S.S. Raju, PGCIL Shri A.K. Verma, PGCIL Shri B. Dash, PGCIL

Record of Proceedings

The matter was heard through video conference.

2. The representative of the Petitioner submitted that the instant petition has been filed for truing up of transmission tariff of the 2014-19 period and determination of transmission tariff of the 2019-24 period in respect of the following transmission assets under System Strengthening Scheme XIII in the Southern Region:-

Asset-I: Gooty–Madhugiri 400 kV D/C Transmission Line along with the associated bays and 63 MVAr Bus Reactor at Madhugiri;

Asset-II: 2X500 MVA transformers along with the associated bays at Madhugiri;

Asset-III: 220 kV line bays at Madhugiri for termination of 220 kV D/C Madhugiri – Antharasanhalli line;

Asset-IV: 220 kV line bays at Madhugiri for termination of 220 kV D/C Madhugiri – Madhugiri line;



Asset-V: 220 kV line bays at Madhugiri for termination of 220 kV D/C Madhugiri – Nittur line under System Strengthening Scheme XIII in the Southern Region.

3. The representative of the Petitioner submitted that all the aforesaid five assets were put into commercial operation on 1.12.2015 and Assets-III, IV and V consist of 2 line bays each serving the transmission lines of KPTCL. The tariff of the aforesaid assets for the 2014-19 tariff period was approved vide order dated 4.9.2018 in Petition No. 245/TT/2017. In the said order dated 4.9.2018, the Commission dealt with the issues of sharing of the transmission charges of the instant assets and non-readiness of the downstream network. As directed in the said order dated 4.9.2019 at para 68, the transmission charges from 1.12.2015 till 24.8.2016 for Asset-I were billed to KPTCL owing to non-readiness of downstream network and KPTCL has made the payments. After execution of Madhugiri-Bidadi line i.e. from 25.8.2016 onwards, the transmission charges of Asset-I have been included in PoC. Similarly, the transmission charges from 1.12.2015 to 27.3.2019 of Assets-II and III respectively were billed to KPTCL owing to non-readiness of downstream network. After execution of downstream bays on 28.3.2019, the transmission charges of Assets-II and III have been included in PoC. The transmission charges from 1.12.2015 to 17.8.2019 of Asset-IV were billed to KPTCL owing to non-readiness of KPTCL downstream line. After execution of the downstream line i.e. from 18.8.2019, the transmission charges of Asset-IV have been included in PoC. The transmission charges of Asset-V are being billed to KPTCL, on account of non-readiness of the downstream lines.

4. The capital cost allowed in order dated 4.9.2018 as on COD was ₹36207 lakh and the total completion cost allowed by the Commission as on 31.3.2019 was ₹40406.44 lakh. The total cost claimed in the instant petition as on 31.3.2019 is ₹41390 lakh. The instant assets have been combined for the 2019-24 tariff period with effective COD as 1.12.2015. The cut-off date for the assets is 31.3.2018. The add-cap claimed during 2014-19 period is within cut-off date for undischarged liability towards final payment/withheld payments of contracts. The Initial spares are within the ceiling limit. The information as sought in the Technical Validation letter has been submitted by the Petitioner vide affidavit dated 12.3.2020. The projected add-cap of ₹322.69 lakh has been claimed during the year 2019-20.

5. The learned counsel for KPTCL sought time to file reply to the petition.

6. The Commission directed the Respondents, including KPTCL, to file their reply by 20.8.2020 and the Petitioner to file rejoinder, if any, by 28.8.2020. The Commission also directed the Petitioner to submit the following information, on affidavit by 17.8.2020 with an advance copy to the Respondents: -

a. Justification for additional capitalization claimed during 2014-19 period;



- b. Whether the additional capitalization claimed is within the cut-off date/ beyond the cut-off date and the same is as per the original scope of work;
- c. With regard to the claim of additional capitalization, details of unexecuted/balance works carried out during 2014-19 period along with detailed justification in line with relevant provisions of the 2014 Tariff Regulations may be submitted;
- d. With regard to additional capitalization claimed during 2014-15 to 2018-19 period, details to be provided in the following format:-

Asset No.	Head-wise /Party-wise	Particulars#	Year of Actual Capitalization	Outstanding Liability as on COD/31.3.2014*	Discharge (year-wise)				Reversal (year-wise)				Additional Liability Recognized^				Outstanding Liability as on 31.3.2019
					2014-19 period				2014-19 Period				2014-19 Period				

TL/SS/Communication Systems etc.

*Whichever is later

^Works deferred for execution, contract amendment - please specify

- e. Details of additional capitalization claimed in 2019– 24 period along with justification;
- f. Clarify whether the entire scope of work defined under the “System Strengthening Scheme XIII in the Southern Region” has been completed and whether the entire scope of work is covered in the instant petition. Details/status of remaining under construction elements/assets covered in the transmission system/project, if any, may be provided.

7. The Commission also directed the Petitioner to comply with the directions within the above timelines and further observed that no extension of time shall be granted.

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

By order of the Commission

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

