

CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI

**Petition No.49/TT/2019**

**Coram:**

**Shri P.K. Pujari, Chairperson**

**Shri I.S. Jha, Member**

**Date of Order: 28.4.2020**

**In the matter of:**

Approval under Regulation-86 of CERC (Conduct of Business) Regulations, 1999 and CERC (Terms and Conditions of Tariff) Regulations, 2014 for determination of Transmission Tariff from anticipated COD to 31.03.2019 for **Asset-I**: Tumkur (Pavagada) Pool-Hiriyur 400 kV D/C line along with associated bays and equipment at both ends under "Transmission system for Ultra Mega Solar Power Park at Tumkur (Pavagada), Karnataka Phase-I".

**And in the matter of:**

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

.....**Petitioner**

**Versus**

1. Tamil Nadu Generation and Distribution Corporation Ltd, (TANGEDCO),  
(Formerly Tamil Nadu Electricity Board -TNEB),  
NPKRR Maaligai, 800, Anna Salai,  
Chennai - 600 002
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),  
P&T Colony, Seethmmadhara,  
Vishakhapatnam
8. Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL),  
Srinivasasa Kalyana Mandapam Backside,  
Tiruchanoor Road, KesavayanaGunta,  
Tlrupati-517501
9. Central Power Distribution Company of Andhra Pradesh limited (APCPDCL),  
Corporate Office, Mint Compound,  
Hyderabad - 500 063
10. Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL),  
Opp. NIT Petrol Pump, Chaitanyapuri,  
Kazipet, Warangal - 506 004
11. Bangalore Electricity Supply Company Ltd. (BESCOM),  
Corporate Office, K.R.Circle,  
Bangalore - 560 001, Karanataka
12. Gulbarga Electricity Supply Company Ltd.,  
Station Main Road,  
Gulbarga,Karnataka
13. Hubli Electricity Supply Company Ltd.,  
Navanagar, PB Road,  
Hubli, Karnataka
14. MESCOM Corporate Office,  
Paradigm Plaza,AB Shetty Circle,  
Mangalore - 575001, Karnataka
15. Chamundeswari Electricity Supply Corporation Ltd.,  
# 927, L J Avenue Ground Floor,  
New KantharajUrs Road, Saraswatipuram,



Mysore - 570 009, Karnataka

16. Transmission Corporation of Telangana Limited,  
Vidhyut Soudha, Khairatabad,  
Hyderabad-500082
17. Tamil Nadu Transmission Corporation Limited,  
NPKRR Maaligai, 800,  
Anna Salai, Chennai - 600 002
18. Karnataka Solar Power Development Corporation Limited.,  
2nd Floor, South Block, Beeja Raja Seed Complex,  
Bellary Road, Hebbala,  
Bengaluru- 560024, Karnataka
19. Karnataka Power Transmission Corporation Ltd.,  
(KPTCL), Kaveri Bhavan,  
Bangalore - 560 009

**...Respondents**

**Parties present:**

**For Petitioner:** Ms. Mitali Samant, PGCIL  
Shri V.K.Singh, PGCL  
Shri S.S. Raju, PGCIL  
Shri Zafrul Hassan, PGCIL

**For Respondent:** Shri S.Vallinayagam, Advocate, TANGEDCO  
Ms. R. Alamelu, TANGEDCO

**ORDER**

The present petition has been filed by the Petitioner, Power Grid Corporation of India Ltd. ("the Petitioner") for determination of tariff for Asset-I: Tumkur (Pavagada) Pool - Hiriyur 400 kV D/C line along with associated bays and equipment at both ends under "Transmission system for Ultra Mega Solar Power Park at Tumkur (Pavagada), Karnataka Phase-I" for 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff)



Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”).

2. The Petitioner has made the following prayers:
  - i. *Approve the Transmission Tariff for the tariff block 2014-19 for the assets covered under this Petition.*
  - ii. *Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred / projected to be incurred.*
  - iii. *Approve the Additional ROE as claimed in the Petition.*
  - iv. *Allow the Petitioner to approach Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during period 2014-19.*
  - v. *Allow the Petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided under clause 25 of the Tariff Regulations 2014.*
  - vi. *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 52 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, and other expenditure (if any) in relation to the filing of petition.*
  - vii. *Allow the Petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 52 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.*
  - viii. *Allow the Petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2014-19 period, if any, from the respondents.*
  - ix. *Allow the Petitioner to bill and recover GST on Transmission charges separately from the respondents, if GST on Transmission of electricity is withdrawn from the exempted (negative) list at any time in future. Further any taxes and duties including cess, etc. imposed by any Statutory/Govt./Municipal Authorities shall be allowed to be recovered from the beneficiaries.*
  - x. *Allow tariff up to 90% of the Annual Fixed Charges in accordance with clause 7 (i) of Regulation 7 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for purpose of inclusion in the POC charges.*
  - xi. *Allow the petitioner to bill Tariff from DOCO and also the Petitioner may be allowed to submit revised Certificate and tariff forms (as per relevant*



*regulation) based on actual DOCO, if any, and pass such other relief as the Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.*

### **Background**

3. The Investment Approval (hereinafter referred to as "IA") for implementation of assets under "Transmission system for Ultra Mega Solar Power Park at Tumkur (Pavagada), Karnataka – Phase-I" was accorded by the Board of Directors of the Petitioner in 327<sup>th</sup> meeting held on 2.4.2016 for ₹81048 lakh including IDC of ₹4997 lakh based on October, 2015 price level (communicated vide Memorandum No. C/CP/Solar Park Tumkur-I dated 8.4.2016).

4. Ministry of Power, Government of India, vide letter dated 8.1.2015 intimated the Petitioner for taking up of transmission system for evacuation of power from 9 solar generating parks to be set up in 7 States along with pooling stations as ISTS schemes which includes Tumkur (Pavagada) UMSP on compressed time schedule basis.

5. The Commission has accorded regulatory approval, under Regulation 3 of the Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission System to Central Transmission Utility) Regulations, 2010, for execution of subject transmission system vide its order dated 19.8.2016 in petition no 36/MP/2016 with IA No. 9/2016.

6. The scope of the scheme was discussed and agreed in 39<sup>th</sup> and 40<sup>th</sup> meeting of Standing Committee on Power System Planning in SR held on 28/29.12.2015



and 19.11.2016, respectively. The transmission scheme has also been agreed in 29<sup>th</sup> Meeting of SRPC held on 5.3.2016 and 30<sup>th</sup> SRPC meeting held on 27.08.2016. The Petitioner has been entrusted with the implementation of the said project.

7. The scope of work covered under the project “Transmission system for Ultra Mega Solar Power Park at Tumkur (Pavagada), Karnataka Phase - I” is as follows:-

### **Transmission Line**

- i. Tumkur (Pavagada) Pool- Hiriyyur 400 kV D/C line.
- ii. LILO of 400KV D/C Gooty-Tumkur (Vasantnarsapur) D/C line at Tumkur (Pavagada) pooling station and LILO of 400KV D/C Bellary –Tumkur (Vasantnarsapur) D/C (Quad Moose) TL at Tumkur (Pavagada) pooling station.

### **Substations**

#### **a) 400/220kV Tumkur (Pavagada) Pooling station (3x500 MVA ICTs)**

##### 400 kV

- |                          |           |
|--------------------------|-----------|
| (i) Line bays            | : 10 nos. |
| (ii) Transformer bays    | : 3 nos.  |
| (iii) Bus reactor bay    | : 1 no    |
| (iv) 125MVAR Bus reactor | : 1 no.   |

##### 220kV

- |                       |          |
|-----------------------|----------|
| (i) Line bays         | : 8 nos. |
| (ii) Transformer bays | : 3 nos. |
| (iii) Bus coupler bay | : 1 no   |
| (iv) TBC bay          | : 1 no.  |

#### **b) 400/220kV Hiriyyur (POWERGRID) Substation (Extension)**

##### 400kV

- |               |          |
|---------------|----------|
| (i) Line Bays | : 2 nos. |
|---------------|----------|



## Reactive Compensation

S.N.	Sub station	Bus Reactor
1	400/220 kV Tumkur (Pavagada) Pooling Station	1x125 MVAR (420kV) Bus reactor

8. The Petitioner has submitted that with the commercial operation of the instant asset, entire scope of the subject project "Transmission system for Ultra Mega Solar Power Park at Tumkur (Pavagada), Karnataka Phase-I" stands completed. Details of petitions filed for the subject project are as under:-

Name of Asset	COD (Actual)	Covered in Petition No.
LILO of one circuit of 400KV D/C Gooty-Tumkur (Vasantnarsapur) D/C line at Tumkur (Pavagada) pooling station	6.12.2017	2/TT/2018 Order date: 9.10.2018
LILO of second circuit of 400KV D/C Gooty-Tumkur (Vasantnarsapur) D/C line at Tumkur (Pavagada) pooling station along with associated bays and equipment	1.2.2018	
New 400/220KV pooling station at Tumkur (Pavagada) with 1 X 500MVA 400/220KV ICT-I along with associated bays & equipment's	6.12.2017	
1x 125MVAR 400kV Bus reactor and along with associated bays & equipment's at 400/220KV Tumkur (Pavagada) pooling station	31.3.2018	
LILO of 400KV D/C Bellary -Tumkur (Vasantnarsapur) D/C (Quad Moose) TL at Tumkur (Pavagada) pooling station along with associated bays & equipment	31.3.2018	
1X500MVA 400/220KV ICT-II at 400/220KV Tumkur (Pavagada) pooling station along with associated bays & equipment	14.2.2018	
1X500MVA 400/220KV ICT-III at 400/220KV Tumkur (Pavagada) pooling station along with associated bays & equipment	12.7.2018	
<b>Asset-I:</b> Tumkur (Pavagada) pool -Hiriyur 400KV D/C line along with associated bays &equipment at both ends	27.9.2018	<b>Under Instant petition</b>

9. The Petitioner has submitted that the petition for instant asset was filed earlier also along with other assets under the subject project under petition no. 2/TT/2018



(Asset-4 therein). However, the Commission, while disposing the said petition, vide order dated 9.10.2018 held as under: -

*“Para 10. The petitioner vide affidavit dated 15.09.2018 has revised the anticipated COD of Asset-4 to 30.09.2018 and submitted that the COD letter, RLDC, CEA and CMD certificate and Auditor’s certificate along with relevant tariff forms shall be submitted after actual commissioning of the asset. In view of these submissions, we are not considering the prayer of the petitioner to determine transmission tariff of Asset-4. The petitioner is directed to submit fresh petition after commissioning of the Asset-4.”*

10. The Petitioner has submitted that the instant asset (Asset-4 in Petition No.2/TT/2018) has been commissioned and put under commercial operation w.e.f. 27.9.2018, therefore, as directed by the Commission, the instant petition is filed.

11. Details of the Annual Transmission Charges claimed by the Petitioner are as under:-

Particulars	(₹ in lakh)
	Asset-I 2018-19 (Pro-rata)
Depreciation	416.17
Interest on Loan	448.24
Return on Equity	478.12
Interest on Working Capital	37.10
O & M Expenses	185.46
<b>Total</b>	<b>1565.09</b>

12. Details of the interest on working capital claimed by the Petitioner are as under:-

Particulars	(₹ in lakh)
	Asset-I 2018-19 (Pro-rata)
Maintenance Spares	54.43
O&M expenses	30.24
Receivables	510.35
<b>Total</b>	<b>595.02</b>
Rate of Interest	12.20%
<b>Interest on working capital</b>	<b>37.10</b>





13. The Petitioner has served a copy of the petition upon the respondents and notice of this tariff application has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the notices published by the Petitioner under Section 64 of the Electricity Act, 2003. Reply to the petition has been filed by Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO), Respondent No. 1, vide affidavit dated 21.3.2019 and the Petitioner vide its affidavit dated 3.12.2019 filed its rejoinder to the reply of TANGEDCO.

14. The Petition was heard on 11.2.2020 and the Commission reserved the order in the Petition.

15. This order has been issued after considering the main petition dated 28.11.2018 and Petitioner's affidavits dated 31.1.2019, 3.12.2019, 3.1.2020, 1.2.2019 and 16.3.2020 and reply of TANGEDCO dated 21.3.2019.

16. Having heard the representatives of the Petitioner present at the hearing and perused the material on record, we proceed to dispose of the petition.

#### **Date of Commercial Operation (COD)**

17. The Petitioner has claimed the actual COD in respect of the instant asset as per the following details:-

<b>S.N.</b>	<b>Name of Asset</b>	<b>COD claimed</b>
1	<b>Asset-I:</b> Tumkur (Pavagada) pool -Hiriyur 400KV D/C line along with associated bays & equipment at both ends	27.9.2018 (Actual)

18. In support of the actual COD of the instant asset, the Petitioner has submitted



CEA energisation certificate dated 6.9.2018 under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 and RLDC charging certificate dated 11.10.2018 and CMD certificate as required under Grid Code.

19. Taking into consideration of the RLDC charging certificate, CEA energisation certificate and CMD certificate, the COD of the Asset-I is approved as 27.9.2018.

### **Capital Cost**

20. Clause (1) and (2) of Regulation 9 of the 2014 Tariff Regulations provide as follows:-

*“(1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects”*

*(2) The Capital Cost of a new project shall include the following:*

- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*
- (c) Increase in cost in contract packages as approved by the Commission;*
- (d) Interest during construction and incidental expenditure during construction as computed in accordance with Regulation 11 of these regulations;*
- (e) Capitalised Initial spares subject to the ceiling rates specified in Regulation 13 of these regulations;*
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with Regulation 14 of these regulations;*
- (g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the COD as specified under Regulation 18 of these regulations; and*
- (h) Adjustment of any revenue earned by the transmission licensee by using the assets before COD.”*

21. The Petitioner vide Auditor’s Certificate dated 15.11.2018 has claimed the following capital cost incurred as on COD and additional capitalization projected to be incurred, in respect of the instant asset:-



Asset	Apportioned Approved Cost (FR)	Cost up to COD	Projected Additional Capitalisation in FY		Estimated Completion Cost
			2018-19	2019-20	
Asset-I	21556.97	15163.67	2777.11	547.46	18488.24

(₹ in lakh)

### Cost Over-run

22. We have considered the submission of the Petitioner and noted that as against the total apportioned approved cost as per FR in respect of instant asset as mentioned in the Table above at paragraph-21, the estimated completion cost including additional capitalisation is within the apportioned approved cost. Therefore, there is no cost over-run.

### Time over-run

23. As per the Investment Approval (IA) dated 2.4.2016, the transmission scheme was scheduled to be commissioned within 32 months from the date of Investment Approval. Accordingly, the commissioning Schedule comes to 2.12.2018 against which the instant asset is put under commercial operation w.e.f. 27.9.2018. Therefore, there is no time over-run.

### Central Finance Assistance (CFA)

24. The Petitioner has submitted the following in respect of CFA:-

- (a) Central Finance Assistance (CFA) for development of Solar Park and Central Finance Assistance for development of Solar Park and external transmission system has been provided by the Ministry of New and Renewable Energy. Ministry of New & Renewable Energy (NSM Coord. Group) issued Administrative Guidelines for release of fund for implementation of Scheme for development of Solar Park and Ultra Mega Solar Power projects vide order ref: 30/26/2014-15/NSM, dated 12.12.2014. Further, amendment in guidelines have been issued by Ministry of New & Renewable



Energy vide office Memorandum no F. No. 30/26/2014-15/NSM dated 29.09.2016. The relevant extracts of the same are as follows:

*“The CFA for development of solar park and for development of external transmission system will be apportioned in the ratio of 60:40 i.e. Rs 12 lakh per MW or 30% of the project cost, whichever is lower may be provided to the Solar Power Park Developers (SPPDs) towards development of solar parks and Rs. 8 lakh per MW or 30% of the project cost, whichever is lower will be provided to the CTU or STU towards development of external transmission system.....”*

(b) Accordingly, the Petitioner vide its letter dated 27.10.2016 and 28.12.2016 requested MNRE to release the amount of CFA.

(c) MNRE vide its O.M. no F.No.32/52/2014-15/NSM dated 28.02.2017 sanctioned the CFA grant. The relevant extracts of the O.M. is reproduced below:

*“2. I am also directed to convey approval for setting up external power evacuation system for Pavagada Solar Park, Tumkur, Karnataka by PGCIL for evacuation of 1000MW solar power from Pavagada Solar Park, Tumkur, Karnataka with total Central Finance Assistance (CFA) of Rs 80, 00, 00,000/- (Rupees Eighty Crores only).*

*3. As per Administrative Guidelines 30/26/2014-15/NSM, dated 12.12.2014 and subsequent clarification vide OM no. 30/26/2014-15/NSM dated 29.09.2016, administrative guidelines 30/26/2014-15/NSM dated 21.03.2017 & OM no. 320/14/2017 –NSM dated 18-01-2018 an amount of Rs 40,40,00,000/- (Rupees Forty Crore Forty Lakh only) is due to SECI, New Delhi towards award of work for external power evacuation system of Pavagada Solar Park phase-II of external power evacuation system of Povgada Solar Park (1000MW) in Karnataka. The amount of Rs 40,40,00,000/- (Rupees Forty Crore Forty Lakh only) includes Rs 40,00,00,000/- (Rupees Forty Crore only) towards development of external power evacuation system Phase-I of Pavagada Solar Park, Karnataka and Rs 40,00,000/- (Rupees Forty Lakh only) towards fund handling charges to SECI.*

*4. Accordingly, sanction of the President of India is hereby conveyed for release of Rs. 28,28,00,000/- (Rupees Twenty Eight Crore Twenty Eight Lakh only) to Solar Energy Corporation of India (SECI), New Delhi after adjusting Rs 12,00,00,000/- (Rs Twelve Crore only) of excess amount of CFA released to Karnataka Solar Park Corporation Ltd. (KSPDCL) for development of internal infrastructure of Pavagada Solar Park, Karnataka by this Ministry under the Solar Park scheme, KSPDCL will release Rs 12,00,00,000/- (Rs Twelve Crore only) to PGCIL as CFA towards development of external power evacuation system of Solar Park.”*

(d) The Petitioner applied for grant under Phase I based on Capacity of 1000 MW @ Rs 800,000 per MW (total Rs. 80 crore). 50% (Rs. 40 crore) of the grant applied was released by MNRE through SECI which was received as



Rs. 28 crore on 18.10.17 and Rs. 12 crore on 31.01.18 towards Transmission System for Ultra mega Solar Power Park at Tumkur (Pavagada), Karnataka-Phase-I. Balance 50% of approved grant for Phase-I is yet to be disbursed. The said grant received has been adjusted in the capital funding of assets under petition no: 2/TT/2018 and in asset under instant petition are as detailed below. However, cost certificate shall be revised at the time of truing up.

(e) Details of grant for assets under petition no. 2/TT/2018:

Name of Asset	Details of grant received	Covered in Petition No.
<b>Asset-1A(a):</b> LILO of one circuit of 400KV D/C Gooty-Tumkur (Vasantnarsapur) D/C line at Tumkur (Pavagada) pooling station.	₹2.80 lakh from COD to 31.03.2018	2/TT/2018 Order date: 9.10.2018
<b>Asset-1B(a):</b> New 400/220KV pooling station at Tumkur (Pavagada) with 1 X 500MVA 400/220KV ICT-I along with associated bays & equipment.	₹340.03 lakh from COD to 31.03.2018	
<b>Asset-1B(b):</b> 1x 125MVAR 400kV Bus reactor and along with associated bays & equipment's at 400/220KV Tumkur (Pavagada) pooling station.	₹61.31 lakh upto COD	
<b>Asset-2:</b> LILO of 400KV D/C Bellary -Tumkur (Vasantnarsapur) D/C (Quad Moose) TL at Tumkur (Pavagada) pooling station along with associated bays & equipment.	₹2099.68 lakh upto COD ₹260.11 during 2018-19	
<b>Asset-3 (B):</b> 1X500MVA 400/220KV ICT-III at 400/220KV Tumkur (Pavagada) pooling station along with associated bays & equipment.	₹182 lakh upto COD	
<b>Asset-I:</b> Tumkur (Pavagada) pool -Hiriyur 400KV D/C line along with associated bays & equipment at both ends	₹1054.07 lakh upto COD	<b>Under Instant petition</b>

25. The Commission vide RoP for the hearing dated 11.2.2020 directed the Petitioner to submit details of the total grant claimed, sanctioned and received as well as its allocation to assets covered under various phases and details of the petitions under which the assets are covered.

26. In response, the Petitioner vide affidavit dated 16.3.2020 has submitted the required details. From the information furnished by the Petitioner, it has been



observed that the Petitioner has received the full amount of CFA viz. ₹8000 lakh (₹2800 lakh on 18.10.2017, ₹1200 lakh on 31.1.2018 and ₹4000 lakh on 16.10.2019) in respect of the Transmission system for Ultra Mega Solar Power Park at Tumkur (Pavagada), Karnataka Phase-I. It is further observed that an amount of CFA of ₹4000 lakh has been received on 16.10.2019, which is beyond the 2014-19 tariff period and, therefore, is required to be adjusted in 2019-24 tariff period. Therefore, the Petitioner is directed to file a combined petition at the time of truing-up covering all the assets of the project transmission system for Ultra Mega Solar Power Park at Tumkur (Pavagada), Karnataka Phase-I after adjusting the full amount of CFA received along with cost certificates and also to furnish methodology followed for allocation (with dates) of grant received to various assets covered in the scheme.

27. Proviso to clause (d) of Regulation 9(6) of the 2014 Tariff Regulations provides as under:-

*“Provided that any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation.”*

28. Proviso (iii) of Regulation 19(1) of the 2014 Tariff Regulations provides as under:-

*“iii. Any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.”*

29. We have considered the submission of the Petitioner and noted that in line with the above provisions, funding through grant is not required to be considered for debt-equity ratio. Therefore, funding sans any grant would form remaining capital structure for the purpose of debt: equity ratio as per Regulation (19) of the 2014



Tariff Regulations and the same has been considered in the relevant para of this Order.

### **Interest During Construction (IDC)**

30. The Petitioner has claimed Interest During Construction (IDC) of ₹810.37 lakh for the instant asset and submitted Auditor's Certificate dated 15.11.2018 in support of the same. The petitioner has submitted IDC computation statement which consist of the name of the loan, drawl date, loan amount, interest rate and Interest claimed. The IDC is worked out based on the details given in the IDC statement. Further, the loan amount as on COD has been mentioned in Form 6 and Form 9C. While going through these documents, it was observed that there was a mismatch in loan amount between IDC statement and in Form 6 & Form 9C. Therefore, the allowable IDC has been worked out based on the available information and relying on loan amount as per tariff Form 9C. However, the Petitioner is directed to submit the detailed IDC statement by rectifying the above-mentioned deviation, at the time of true up for the 2014-19 tariff period. Details of IDC considered for tariff computation (subject to true-up) is as under :-

**(₹ in lakh)**

<b>S.N.</b>	<b>IDC Considered for Tariff Computation of Asset-I</b>	
1	IDC Claimed by the Petitioner ( as per Auditor's certificate)	810.37
2	<b>Less:</b> un-discharged IDC	164.38
3	IDC allowed on COD on Cash Basis	<b>645.99</b>
4	IDC discharged in 2018-19	140.07
5	IDC discharged in 2019-20	24.31



### **Incidental Expenditure During Construction (IEDC)**

31. The Petitioner has claimed IEDC of ₹801.38 lakh for instant asset and submitted Auditor's Certificate in support of the same. The IEDC claimed is within the percentage of hard cost i.e. 5% as indicated in the abstract cost estimate. Therefore, IEDC claimed is allowed subject to true up. The details of IEDC claimed and allowed are as under:-

(₹ in lakh)		
<b>Asset</b>	<b>IEDC Claimed</b>	<b>IEDC Allowed</b>
Asset-I	801.38	801.38

32. The IEDC allowed for the subject asset will be reconsidered in the light of the directions of Appellate Tribunal for Electricity (APTEL) in judgment dated 2.12.2019 in Appeal No. 95 of 2018 and Appeal No. 140 of 2018, at the time of truing up.

### **Initial Spares**

33. This has been dealt in line with Regulation 13 of the 2014 Tariff Regulations. The Petitioner has claimed initial spares of the Assets covered in the petition and submitted Auditor's certificate in support of the same. The details of initial spares claimed by the Petitioner is as follows:-

(₹ in lakh)			
<b>Asset</b>	<b>Element</b>	<b>Cost for calculation of initial spares</b>	<b>Initial spares claimed</b>
Asset-I	Substation	2330.78	32.96
	Transmission Line (TL)	14545.71	143.00

34. The Commission vide RoP of hearing dated 11.2.2020 directed the Petitioner to submit Statement of discharge of initial spares. In response, the Petitioner vide affidavit dated submitted that in the Auditor's Certificate initial spares discharged upto COD are included in COD cost whereas initial spares discharged after COD





are included in the additional capital expenditure of the respective year and submitted the following details:-

(₹ in lakh)

Asset	Element	Initial Spares (as per Auditor Certificate)	Initial Spares discharged upto COD	Initial Spares discharged from 27.9.18 to 31.3.19
Asset-I	Substation	32.96	16.05	16.91
	Transmission Line (TL)	143.00	69.63	73.37

35. We have considered the submissions made by the Petitioner. The initial spares allowed for the purpose of tariff calculation after considering the plant and machinery cost excluding IDC, IEDC and land expenses up to 31.3.2019, is subject to ceiling limit as per the 2014 Tariff Regulation and are as under:-

(₹ in lakh)

Asset	Type	Plant and machinery Cost excluding IDC, IEDC, Land Expenditure up to 31.03.2019	Initial Spares claimed	Initial Spares admissible	Initial Spares discharged upto COD	Initial Spares discharged in the year 2018-19
Asset-I	Substation	2330.78	32.96	32.96	16.05	16.91
	TL	14545.71	143.00	142.15	69.63	72.52

### Capital cost as on COD

36. Accordingly, the capital cost allowed as on COD under Regulation 9(2) of the 2014 Tariff Regulations is summarized as under:-

(₹ in lakh)

Asset	Capital Cost as on COD as per Auditor Certificate	Less: Grant Received and adjusted upto COD	Less: Un-discharged IDC	Capital Cost as on COD Considered for tariff calculation
Asset-I	15163.67	1054.07	164.38	13945.22



### **Additional Capital Expenditure (ACE)**

37. As per Clause (13) of Regulation 3 of the 2014 Tariff Regulations, the cut-off date for instant assets is 31.3.2021. Additional capitalization as per Auditor's Certificates are as under:-

<b>Asset</b>	<b>Additional Capital Expenditure claimed for FY</b>		<b>(₹ in lakh)</b>
	<b>2018-19</b>	<b>2019-20</b>	<b>Total</b>
Asset-I	2777.11	547.46	3324.57

38. The Petitioner has claimed ACE during 2018-19 and 2019-20. Since FY 2019-20 falls beyond the tariff period 2014-19 and is not covered under the provisions of the 2014 Tariff Regulations, the projected ACE claimed beyond 2018-19 has not been taken into consideration and the same shall be dealt during the next tariff period as per the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.

39. The Petitioner has claimed additional capital expenditure towards Balance and Retention payments. The admissible un-discharged IDC liability as on COD has been allowed as ACE during the year of its discharge. The allowed Additional Capital expenditure are summarized below which is subject to true up:-

<b>Asset-I</b>	<b>Regulation</b>	<b>(₹ in lakh)</b>
ACE to the extent of Balance & Retention Payment & unexecuted work	14 (1)(i) & 14 (1) (ii)	2777.11
Less: Excess Initial Spares claimed		0.85
Add: IDC Discharged	14 (1)(i)	140.07
<b>Total Add-Cap allowed for tariff</b>		<b>2916.33</b>



### Capital cost for the tariff period 2014-19

40. Accordingly, the capital cost considered for the tariff period 2014-19, subject to truing up, is as follows:-

(₹ in lakh)

Asset	Capital Cost as on COD considered for tariff calculation	ACE during 2018-19	Total Estimated Completion Cost up to 31.03.2019
Asset-I	13945.22	2916.33	16861.55

### Debt-Equity Ratio

41. Debt-Equity Ratio is considered as per Regulation 19 of the 2014 tariff Regulations. The debt-equity as on dates of commercial operation and 31.3.2019 considered on normative basis are as under:-

(₹ in lakh)

Asset-I	As on COD		As on 31.03.2019	
Debt	9761.65	70.00%	11803.09	70.00%
Equity	4183.57	30.00%	5058.47	30.00%
<b>Total</b>	<b>13945.22</b>	<b>100.00%</b>	<b>16861.55</b>	<b>100.00%</b>

### Return of Equity (ROE)

42. The Petitioner has submitted that ROE has been calculated at the rate of 20.610% after grossing up the ROE with MAT rate of 20.961% as per the 2014 Tariff Regulations. The Petitioner has further submitted that the grossed up ROE is subject to truing up based on the effective tax rate of respective financial year applicable to the Petitioner Company.

43. We have considered the submissions made by the Petitioner and Regulation 24 read with Regulation 25 of the 2014 Tariff Regulations provides for grossing up



of return on equity with the effective tax rate for the purpose of return on equity. It further provides that in case the generating company or transmission licensee is paying Minimum Alternative Tax (MAT), the MAT rate including surcharge and cess will be considered for the grossing up of return on equity. Accordingly, the MAT rate applicable during 2013-14 has been considered for the purpose of return on equity, which shall be trued up with actual tax rate in accordance with Regulation 25 (3) of the 2014 Tariff Regulations.

### **Additional ROE**

44. The Petitioner has submitted that the instant asset has been commissioned within the timeline provided in Regulation 24 of 2014 Tariff Regulations. The Petitioner further submitted that the length of 400 kV D/C Twin Transmission Line is 109.20 km length and SRPC vide its letter No. SRPC/SE/-II/RoE-PG/2018 dated 5.10.2018 has also issued necessary Certificate under proviso (iii) of Regulation 24(2) of 2014 Tariff Regulations. Accordingly, the Petitioner has prayed for additional rate of RoE @ 0.5%.

45. Regulation 24 of the 2014 Tariff Regulations provides as under: -

*“2) Return on equity shall be computed at the base rate of 15.50% for thermal generating stations, transmission system including communication system and run of the river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run of river generating station with pondage.*

*Provided that:*

*(i) In case of projects commissioned on or after 1st April, 2014, an additional return of 0.50% shall be allowed, if such projects are completed within the timeline specified in Appendix-I:*

*(iii) Additional RoE of 0.50% may be allowed if any element of the transmission project is completed within the specified timeline and it is certified by the*



*Regional Power Committee / National Power Committee that commissioning of the particular element will benefit the system operation in the regional/ national grid:*

*(vi) Additional RoE shall not be admissible for transmission line having length of less than 50 kilometers.”*

46. The Timeline under Appendix-I to Regulation 24 provides as under: -

*“1. The completion time schedule shall be reckoned from the date of investment approval by the Board (of the generating company or the transmission licensee), or the CCEA clearance as the case may be, up to the date of commercial operation of the units or block or element of transmission project as applicable.*

*2. C. Transmission Schemes*

*Qualifying time schedule in months*

*(h) 400 kV D/C Twin Transmission Line – Plain Area: 34 months”*

47. We have considered the submission of Petitioner. The instant asset was approved vide IA dated 2.4.2016 with a completion schedule of 32 months against which the instant asset is put under Commercial Operation within 30 months with effect from 27.9.2018. The instant asset is a 400 kV D/C Twin Transmission line having line length of 109.20 km. SRPC vide letter No. SRPC/SE/-II/RoE-PG/2018 dated 5.10.2018 has intimated that the Committee had agreed in the 34<sup>th</sup> meeting of SRPC held on 11.8.2018 that the commissioning of the instant asset would benefit the system operation in the Regional/ National Grid and certified that the instant asset is fulfilling the provisions of proviso (iii) of Regulation 24(2) of the 2014 Tariff Regulations. Therefore, additional rate of RoE @ 0.5% as claimed by the Petitioner is allowed for the 2014-19 tariff period.

48. Accordingly, the ROE allowed is as follows:-



Particulars	(₹ in lakh)
	Asset-I 2018-19 (Pro-rata)
Opening Equity	4183.57
Addition due to Additional Capitalization	874.90
Closing Equity	5058.47
Average Equity	4621.02
Return on Equity (Base Rate )	16.00%
MAT rate for the FY 2013-14	20.961%
Rate of Return on Equity (Pre-tax)	20.243%
<b>Return on Equity (Pre-tax)</b>	<b>476.69</b>

### Interest on Loan (IOL)

49. The IOL has been calculated as per the provisions of Regulation 26 of the 2014 Tariff Regulations as detailed below:-

- (i) Gross amount of loan, repayment of installments and rate of interest on actual loans have been considered as per petition including additional information.
- (ii) The yearly repayment for the tariff period 2014-19 has been considered to be equal to the depreciation allowed for that year.
- (iii) Weighted average rate of interest on actual average loan worked out as per (i) above is applied on the notional average loan during the year to arrive at the interest on loan.

50. The Petitioner has submitted that the IOL has been claimed on the basis of rate prevailing as on COD and the change in interest due to floating rate of interest applicable, if any, needs to be claimed/ adjusted over the tariff block 2014-19. We have calculated IOL on the basis of rate prevailing as on the date of commercial operation. Any change in rate of interest subsequent to the date of commercial operation will be considered at the time of truing-up. The IOL is allowed considering all the loans submitted in Form-9C. The Petitioner is directed to reconcile the total Gross Loan for the calculation of weighted average Rate of Interest and for the



calculation of IDC, which would be reviewed at the time of truing-up.

51. The details of IOL calculated are as follows:-

Particulars	(₹ in lakh)
	Asset-I 2018-19 (Pro-rata)
Gross Normative Loan	9761.65
Cumulative Repayment upto previous Year	0.00
Net Loan-Opening	9761.65
Addition due to Additional Capitalization	2041.43
Repayment during the year	414.92
Net Loan-Closing	11388.17
Average Loan	10574.91
Weighted Average Rate of Interest on Loan	8.2934%
<b>Interest on Loan</b>	<b>446.92</b>

### Depreciation

52. Depreciation has been dealt with in line of Regulation 27 of the 2014 Tariff Regulations. The instant asset was put under commercial operation during 2018-19. Accordingly, it will complete 12 years beyond the tariff period 2014-19 and depreciation has been calculated annually based on Straight Line Method at the rates specified in Appendix-II to the 2014 Tariff Regulations. Details of the depreciation allowed are as under:-

Particulars	(₹ in lakh)
	Asset-I 2018-19 (Pro-rata)
Opening Gross Block	13945.22
Additional Capital expenditure	2916.33
Closing Gross Block	16861.55
Average Gross Block	15403.39
Rate of Depreciation	5.2860%
Depreciable Value	13863.05
Remaining Depreciable Value	13863.05
<b>Depreciation</b>	<b>414.92</b>



### Operation and Maintenance Expenses (O&M Expenses)

53. The Petitioner has claimed the O&M expenses for instant asset as per following details:-

(₹ in lakh)		
Asset	Particulars	2018-19 (Pro-rata)
Asset-I	O&M Expenses	185.46

54. The Petitioner in the instant petition has submitted that O&M rates for the tariff period 2014-19 had been arrived on the basis of normalized actual O&M Expenses during the period 2008-09 to 2012-13. The Petitioner has further submitted that the wage revision of the employees is due during 2014-19 and actual impact of wage hike effective from a future date has not been factored in fixation of the normative O&M rates specified for the tariff block 2014-19. The Petitioner has submitted that it would approach the Commission for suitable revision in norms for O&M Expenses for claiming the impact of wage hike during 2014-19, if any.

55. Norms for O&M expenditure for Transmission System have been specified under section 29 (4) of Tariff Regulation are as follows:-

Element	2018-19
Sub-Station: 400 kV bay (₹ in lakh per bay)	68.710
Transmission Line: 400 kV D/C (Twin and Three conductor)(₹ in lakh per Km)	0.806

56. We have considered the submissions of Petitioner. The O&M Expenses have been worked out as per the norms specified in the 2014 Tariff Regulations. As regards the impact of wage revision, any application filed by the Petitioner in this regard will be dealt with in accordance with the applicable regulations. The





Petitioner has computed normative O&M Expenses as per sub-clause (a) of clause (4) of Regulation 29 of the 2014 Tariff Regulations. Accordingly, the allowed O&M Expenses is given below:-

(₹ in lakh)	
<b>Asset-I</b>	<b>2018-19</b>
<b>Details</b>	<b>(Pro-rata)</b>
4 nos. of 400 kV bays at Pavagada and Hiriyur substation	140.06
400 kV D/C Line Bundled conductor (109.20 Km)	44.85
<b>Total O&amp;M Expenses Allowed</b>	<b>184.91</b>

### **Interest on Working Capital (IWC)**

57. As per the 2014 Tariff Regulations the components of the working capital and the interest thereon are discussed hereinafter:-

**a) Maintenance spares:**

Maintenance spares @ 15% of Operation and maintenance expenses specified in Regulation 28.

**b) O & M expenses:**

Operation and maintenance expenses have been considered for one month of the O&M expenses.

**c) Receivables:**

The receivables have been worked out on the basis of 2 months of annual fixed cost as worked out above.

**d) Rate of interest on working capital:**

As per Clause 28 (3) of the 2014 Tariff Regulations, SBI Base Rate as on 1.4.2018(8.70%) plus 350 Bps i.e. 12.20% has been considered as the rate of interest on working capital.

58. Accordingly, the interest on working capital (IWC) is summarized as under:-



Particulars	(₹ in lakh)
	Asset-I 2018-19 (Pro-rata)
Maintenance Spares	54.43
O&M expenses	30.24
Receivables	510.35
<b>Total</b>	<b>595.02</b>
Rate of Interest	12.20%
<b>Interest on working capital</b>	<b>36.99</b>

### Annual Transmission charges

59. Accordingly, the annual transmission charges being allowed for the instant asset are as under:-

Particulars	(₹ in lakh)
	Asset-I 2018-19 (Pro-rata)
Depreciation	414.92
Interest on Loan	446.92
Return on Equity	476.69
Interest on Working Capital	36.99
O & M Expenses	184.91
<b>Total</b>	<b>1560.43</b>

### Filing fee and the publication expenses

60. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses, in terms of Regulation 52 of the 2014 Tariff Regulations. The Petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the



beneficiaries on pro-rata basis in accordance with clause (1) of Regulation 52 of the 2014 Tariff Regulations.

### **License fee and RLDC Fees and Charges**

61. The Petitioner has prayed to allow the Petitioner to bill and recover License fee and RLDC fees and charges, separately from the respondents. We are of the view that the Petitioner shall be entitled for reimbursement of license fee and RLDC fees and charges in accordance with Clause (2)(b) and (2)(a) of Regulation 52 in the 2014 Tariff Regulations.

### **Goods and Services Tax**

62. The Petitioner has prayed for reimbursement of tax, if any, on account of implementation of GST. GST is not levied on transmission service at present and we are of the view that Petitioner's prayer is premature.

### **Sharing of Transmission Charges**

63. The Petitioner has submitted that the transmission charges of the instant asset should be recovered on monthly basis and the billing, collection and disbursement of Transmission Charges should be governed by the provisions of CERC (Sharing of Interstate Transmission Charges and Losses) Regulations, 2010 (hereinafter referred to as the 2010 Sharing Regulations) as provided under Regulation 43 of the 2014 Tariff Regulations.

64. The Respondent, TANGEDCO, vide affidavit dated 21.3.2019 prayed the following:-



- a) To direct the Petitioner to give a detailed submission about the generators who have commissioned their solar plants and whether they are eligible for waiver of transmission charges.
- b) To direct the Petitioner to raise bilateral bill on the solar generator from the date of commissioning of the transmission asset to the date of commissioning of the generating plant, in case the generator is eligible for waiver of transmission charges and if there is delay in commissioning of the solar plant.
- c) To direct the Petitioner to bill the transmission charges to the DIC, M/s. KSPDCL till firming up of generators for the balance quantum of 1350 MW and commissioning of their plants.
- d) To direct the Petitioner to follow the Sharing Regulation in Pet. No. 49/TT/2019 & 2/TT/18 and also raise bilateral bill on appropriate agencies.

65. TANGEDCO reiterated the above submissions during hearing dated 17.12.2019 and requested the Commission to direct the Petitioner to provide all the documents based on which the bilateral billing is done and the certificate of the Discoms for waiver of transmission charges and losses. TANGEDCO submitted that as per the minutes of 24<sup>th</sup> JCC meeting, only 600 MW of LTA was operationalised from 12.7.2018 and 400 MW from 28.9.2018. The Petitioner has not stated any details about the generators who have commissioned in the Tumkur (Pavagada) Ultra Mega Solar Park. TANGEDCO submitted that the Petitioner be directed to furnish details of LTA that has been operationalized as on date. TANGEDCO submitted that as per Regulation 7 of the 2010 Sharing Regulations, the Renewable Energy (RE) generators are required to submit a certificate from the concerned Discom(s) stating that the power is purchased from the RE generators to meet the Renewable Purchase Obligations (RPO) for availing waiver of transmission charges



and losses. The Petitioner has not provided any details of such RPO Certificate nor the list of generators who are eligible for waiver of transmission charges and losses.

66. The Commission vide RoP of hearing dated 17.12.2019, directed the Petitioner to provide the following information: -

- a) All the details based on which billing and RPO obligations for waiver of transmission charges and losses are ascertained and finalized by the Petitioner along with details of RPO certificates and list of the generators which are eligible for waiver of transmission charges;
- b) The present status of solar generation associated with the instant asset and status of LTA operationalization.

67. The Petitioner vide affidavit dated 3.12.2019 (rejoinder to the reply dated 21.3.2019 of TANGEDCO) and vide subsequent affidavit dated 3.1.2020 (reply to the ROP of hearing dated 17.12.2019) has made its submissions.

68. The Petitioner has submitted that as per Amendment dated 14.12.2017, to the Regulation 7 of the 2010 Sharing Regulations, the following provisions have been incorporated: -

*“No transmission charges and losses for the use of ISTS network shall be payable for the capacity of the generation projects based on solar resources for a period of 25 years from the date of commercial operation of the such generation projects if they fulfil the following conditions:*

- (i) Such generation capacity has been awarded through competitive bidding; and*
- (ii) Such generation capacity has been declared under commercial operation between 1.7.2017 and 31.12.2019; and*
- (iii) Power Purchase Agreement(s) have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation”.*

69. The Petitioner has submitted that subsequently, as per Amendment dated



27.03.2019 to Regulation 7 of the 2010 Sharing Regulations, the above waiver to solar projects has been extended from 31.03.2019 to 31.03.2022.

70. The Petitioner has submitted that 1650 MW solar capacity from Pavagada solar park have been commissioned starting from January 2018 and up to August 2019. In this regard, generator-wise details such as block capacity (MW), bid awarding agency (NTPC/ KREDL/ SECI) and date of commissioning have been submitted by the Petitioner (Ref. KSPDCL letter dated 14.11.2019) as under: -

S. N.	Block name/Name of the SPD	Block no.	Block capacity in MW	Awarding Agency (NTPC/KREDL/SECI)	Date of commissioning
1.	M/s. FortumFinnSurya Energy Private Ltd.	B30	50	NTPC	14/01/18
2.	M/s. Fortum Finn Surya Energy Private Ltd.	B31	50	NTPC	14/01/18
3.	M/s. Parampujya Solar Energy Private Ltd.	B29	50	NTPC	14/01/18
4.	M/s. Yarrow Infrastructure Limited	B35	50	NTPC	19/01/18
5.	M/s. Tata Power Renewable Energy Ltd.	B32	50	NTPC	19/01/18
6.	M/s. Tata Power Renewable Energy Ltd.	B34	50	NTPC	19/01/18
7.	M/s. Parampujya Solar Energy Private Ltd.	B36	50	NTPC	19/01/18
8.	M/s. Renew Solar Power Pvt Ltd	B33	50	NTPC	19/01/18
9.	M/s. Tata Power Renewable Energy Ltd,	B27	50	NTPC	28/01/18
10.	M/s. Parampujya Solar Energy Private Ltd.	B28	50	NTPC	03/02/18
11.	M/s. ACME Solar Holdings Pvt Ltd	B37	50	NTPC	02/03/18
12.	M/s. ACME Solar Holdings Pvt Ltd	B38	50	NTPC	02/03/18
13.	M/s. Giriraj Renewables Pvt Ltd	B4	50	KREDL	20/12/18
14.	M/s. Tata Power Renewable Energy Ltd	B18	50	KREDL	01/02/19
15.	M/s. Tata Power Renewable Energy Ltd	B17	50	KREDL	04/02/19
16.	M/s. ReNew Solar Power Pvt Ltd	B1	50	KREDL	06/02/19
17.	M/s. Giriraj Renewables Pvt Ltd	B7	50	KREDL	06/02/19
18.	M/s. ReNew Solar Power Pvt Ltd	B13	50	KREDL	22/02/19
19.	M/s. Giriraj Renewables Pvt Ltd	B8	50	KREDL	27/02/19
20.	M/s. ReNew Solar Power Pvt Ltd	B2	50	KREDL	01/03/19
21.	Azure Power India Pvt Ltd	B12	50	KREDL	06/03/19
22.	M/s. Tata Power Renewable Energy Ltd	B19	50	KREDL	06/03/19
23.	Azure Power India Pvt Ltd	B11	50	KREDL	12/03/19
24.	M/s. ReNew Solar Power Pvt Ltd	B3	50	KREDL	20/03/19
25.	M/s. ReNew Solar Power Pvt Ltd	B6	50	KREDL	20/03/19
26.	M/s. Tata Power Renewable Energy Ltd	B15	50	KREDL	22/03/19
27.	M/s. Tata Power Renewable Energy Ltd	B21	50	KREDL	25/03/19
28.	M/s. ReNew Solar Power Pvt Ltd	B10	50	KREDL	28/03/19
29.	M/s. Fortum Solar India Private Ltd	B14	50	KREDL	15/07/19
30.	M/s. Fortum Solar India Private Ltd	B20	50	KREDL	15/07/19



S. N.	Block name/Name of the SPD	Block no.	Block capacity in MW	Awarding Agency (NTPC/KR EDL/SECI)	Date of commissioning
31.	M/s. Fortum Solar India Private Ltd	B9	50	KREDL	18/07/19
32.	M/s. Fortum Solar India Private Ltd	B5	50	KREDL	03/08/19
33.	M/s. Fortum Solar India Private Ltd	B40	50	KREDL	05/08/19
	<b>Total</b>		<b>1650</b>		

71. The Petitioner has submitted that the commissioning schedule of balance capacity of 400 MW solar park generation was expected in November/ December 2019 as per letter dated 14.11.2019 of KSPDCL.

72. The Petitioner has submitted that sharing of transmission charges for “Ultra Mega Solar Power Park at Tumkur (Pavagada), Karnataka-Phase-I” has already been clarified by Commission vide order dated 9.10.2018 in petition no. 2/TT/2018 and that the Petitioner is raising bills in the instant case based on that order. The relevant extract from Order dated 9.10.2018 is reproduced below: -

*“Sharing of Transmission Charges*

*64. The transmission charges shall be recovered on monthly basis in accordance with Regulation 43 of the 2014 Tariff Regulations and shall be shared by the beneficiaries and long term transmission customers in Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.”*

73. The Petitioner has submitted that as per the letters dated 16.05.2018, 29.08.2018, 11.07.2019, 26.08.2019, 03.09.2019 and 14.11.2019 forwarded by M/s Karnataka Solar Power Development Corporation Limited (KSPDCL) pertaining to the eligibility of the generators for waiver of Transmission charges and Losses, KSPDCL has stated that: -

- (a) All the generators are awarded through Competitive bidding.



(b) Generation capacity of 1650 MW was declared under commercial operation progressively from January, 2018 to August, 2019 and balance is expected by December, 2019.

(c) Power Purchase Agreement(s) have been executed with Karnataka Discoms for 1800 MW and UP Discoms for 200 MW for compliance of their Renewable power obligations (RPO).

74. With regard to present status of solar generation associated with the instant asset, the Petitioner has submitted that the entire generation associated with the instant asset (1000 MW) is already under Commercial Operation by M/s KSPDCL (Ref. letter dated 14.11.2019). With regard to LTA operationalization, the Petitioner has submitted that it has operationalized 600 MW LTA with effect from 12.07.2018 and 400 MW with effect from 28.09.2018. Balance LTA of 1000 MW (Phase-II) shall be made operational upon commissioning of Hiriyur – Mysore 400 kV D/c line which is expected to be commissioned by December 2019.

75. We have considered the submissions of the Petitioner and Respondent TANGEDCO. With regard to contention of TANGEDCO as regards solar generators meeting the transmission charges in case of delayed schedule, we notice that the generation associated with Pavagada Phase-I is commissioned matching with the commissioning of the associated transmission system. As per information submitted by the Petitioner, that is borne out from the Table at paragraph 70 above, 1650 MW of solar capacity has been commissioned till August 2019. The instant asset, i.e. Tumkur (Pavagada) pool -Hiriyur 400KV D/C line along with associated bays & equipment at both ends, is a part of Phase-I transmission system. The generators associated with Pavagada Phase-I are connected to this asset and the Petitioner





has submitted that about 1000 MW LTA has been operationalized under Phase-I. The complete scope of the work under Pavagada Phase-I is commissioned and the power is flowing through this line. Therefore, we find no reason to agree with the contention of TANGEDCO that the transmission charges should be levied on solar generators, as these have been delayed.

76. As regards contention of TANGEDCO to ascertain the conditions of waiver of transmission charges, the Petitioner has submitted that approximately 1800 MW solar capacity has entered into PPA with respective Discoms of Karnataka and 200 MW with UP Discoms for fulfilment of their RPO. It is also observed that the solar generators were selected through competitive bidding process by NTPC/ KREDL. On the other hand, TANGEDCO has not submitted any documents in support of its contention. In our view, the generators have satisfied the conditions of waiver and are covered under provisions of Regulation 7 of the 2010 Sharing Regulations.

77. We also notice that the Petitioner has operationalized 1000 MW LTA corresponding to the transmission commissioned and non-operationalisation of remaining 1000 MW is on account of delay in commissioning of Hiriya – Mysore 400 kV D/c line which is expected to be commissioned by December 2019. Therefore, there is no force in argument of TANGEDCO that the solar generation should bear the cost on account of their delay in commissioning of generating station.

78. In view of the above, the transmission charges shall be shared as per Regulation 43 of the 2014 Tariff Regulations. These charges shall be recovered on



monthly basis and the billing, collection and disbursement of transmission charges shall be governed by provision of the 2010 Sharing Regulations.

79. This order disposes of Petition No.49/TT/2019.

**Sd/-  
(I. S. Jha)  
Member**

**Sd/-  
(P. K. Pujari)  
Chairperson**

