

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. MP/083/2014

- Subject : Petition under section 79 (1) (c) of the Electricity Act, 2003 read with Regulation 54 “ Power to Relax” and Regulation 55 “ Power to Remove Difficulty” of the Central Electricity Regulatory Commission (Terms and Conditions of tariff) Regulations, 2014 and Regulation 24 read with Regulation 111 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and section 67 (4) of the Electricity Act, 2003 to adjudicate the difference or dispute arisen with regard to the compensation, as detailed in the petition seeking direction from the Commission relating to construction of Edamon- Muvattapuzha (Cochin) 400 kV D/C line section of Thirunelveli- Muvattapuzha (Cochin) 400 kV D/C (Quad) transmission line.
- Date of hearing : 17.6.2014
- Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
- Petitioner : Power Grid Corporation of India Limited
- Respondents : Kerala State Electricity Board and others
- Parties present : Shri Sanjay Sen, Senior Advocate for the petitioner
Shri Anand Ganeshan, Advocate, PGCIL
Ms. Mandakini Ghosh, Advocate, PGCIL
Shri M.M. Mondal, PGCIL
Ms. Seema Gupta, PGCIL
Shri U. Pande, PGCIL
Shri Rajendra Kumar Gujer, PGCIL
Shri R.P. Padhi, PGCIL

Record of Proceedings

Learned senior counsel for the petitioner submitted that the present petition has been filed seeking provisional tariff on the expenditure incurred by PGCIL on construction of Adamon-Muvattapuzha (Cochin) 400 k V D/C (Quad) line till 31.3.2014 and adjudication of dispute between the petitioner and Govt. of Kerala with regard to the compensation determined the latter in terms of Section 67 (4) of the Electricity Act, 2003.

2. Learned senior counsel for the petitioner further submitted as under:

(a) The petitioner has incurred expenditure of ₹ 2159.07 crore including IDC of ₹ 223.42 crore against the initial apportioned cost of ₹ 1779.29 crore including IDC of ₹ 71.41 crore. Therefore, there has been huge cost over-run in the investment for establishment of "Transmission System associated with Kudankulam Atomic Power Project (2 X 1000 MW).

(b) Prior approval of the project, the transmission scheme for Kudankulam APP was finalized in a high level meeting convened by Govt. of Kerala and route was finalized after carefully examining the different alternatives for transmission corridors. Subsequently, Ministry of Power, Govt. of India accorded investment approval on 25.5.2005 with a completion schedule of 42 months.

(c) Govt. of Kerala issued orders for compensation during March 2009 specifying the rate of compensation for the line corridor and the tower footing locations. Subsequently, Govt. of Kerala unilaterally issued Govt. orders during February 2010, June 2010 and January 2011 for enhancing the rate of compensation and area of coverage for the same. Due to unilateral issuance of fresh Govt. orders enhancing compensation amount to an exorbitant level, by repeating the earlier orders the work on the transmission line could not proceed further.

(d) Under the circumstances, the petitioner finds no way to complete the projects and seeks recovery of expenditure already incurred in a suitable manner.

3. The Commission was constrained to observe that since the transmission line would benefit the State of Kerala, the petitioner is expected to discuss with the Govt. of Kerala and to resolve the issues. The Commission directed the petitioner to submit the following on affidavit by 15.7.2014:

(a) Details of the discussions between the petitioner and Government of Kerala;

(b) The minutes of meeting to resolve the issues and latest status in this regard.

4. The Commission directed to admit the petition and issue notice to the respondents.

5. The Commission directed the petitioner to serve copy of the petition on the respondents by 10.7.2014. The respondents were directed to file their replies by

25.7.2014 with an advance copy to the petitioner, who may file its rejoinder, if any, on or before 8.8.2014

6. The petition shall be listed for hearing on 12.8.2014.

**By order of the Commission
Sd/-**

**(T. Rout)
Chief (Law)**