

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 534/TT/2014**

**Coram:**

**Shri A. K. Singhal, Member  
Shri A.S. Bakshi, Member**

**Date of Hearing: 03.03.2015**

**Date of Order : 15.04.2015**

**In the matter of**

Approval of transmission tariff for A) Kurnool-Thiruvalam 765 kV D/C line, B) Extension of 765 kV Substation at Kurnool and upgradation of 400 kV Sub-station at Thiruvalam to 765/400 kV with 2x1500 MVA, 765/400 kV transformers and C) 1x240 MVAR line reactor at both ends of each circuit of Kurnool-Thiruvalam 765 kV D/C line under "System Strengthening XIX in Southern Regional Grid" under Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 from DOCO to 31.3.2019.

**And in the matter of**

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

.....**Petitioner**

Vs

1. Karnataka Power Transmission Corporation Ltd. (KPTCL),  
Kaveri Bhawan, Bangalore-560 009.
2. Transmission Corporation of Andhra Pradesh Ltd. (APTRANSCO),  
Vidyut Soudha,  
Hyderabad-500 082.
3. Kerala State Electricity Board (KSEB),  
Vaidyuthi Bhavanam,  
Pattom, Thiruvananthapuram-695 004.
4. Tamil Nadu Generation and Distribution Corporation Ltd.  
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-605 001.
7. Eastern Power Distribution Company of Andhra Pradesh Ltd. (APEPDCL),  
APEPDCL, P&T Colony,  
Seethmmadhara, Vishakhapatnam,  
Andhra Pradesh.
8. Southern Power Distribution Company of Andhra Pradesh Ltd. (APSPDCL),  
Srinivasasa Kalyana Mandapam Backside,  
Tiruchanoor Road, Kesavayana Gunta,  
Tirupati-517 501.
9. Central Power Distribution Company of Andhra Pradesh Ltd. (APCPDCL),  
Corporate Office, Mint Compound,  
Hyderabad-500 063.
10. Northern Power Distribution Company of Andhra Pradesh Ltd. (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.
12. Gulbarga Electricity Supply Company Ltd. (GESCOM),  
Station Main Road, Gulbarga.  
Karnataka.
13. Hubli Electricity Supply Company Ltd. (HESCOM),  
Navanagar, PB Road,  
Hubli, Karnataka.
14. MESCOM Corporate Office,  
Paradigm Plaza, AB Shetty Circle,  
Mangalore-575 001.
15. Chamundeswari Electricity Supply Corporation Ltd. (CESC),  
# 927, L J Avenue, Ground Floor,  
New Kantharaj Urs Road,  
Saraswaturam, Mysore-570 009. ....**Respondents**

For petitioner : Shri S.K. Venkatesan, PGCIL



Shri S.S. Raju, PGCIL  
Shri M.M. Mondal, PGCIL  
Shri Prashant Sharma, PGCIL  
Shri Jasbir Singh, PGCIL  
Shri Vivek Kumar Singh, PGCIL  
Shri Anshul Garg, PGCIL

For respondents :None

### **ORDER**

In the instant petition the petitioner, Power Grid Corporation of India Limited (PGCIL) has sought approval of transmission tariff for A) Kurnool-Thiruvalam 765 kV D/C line, B) Extension of 765 kV Substation at Kurnool and upgradation of 400 kV substation at Thiruvalam to 765/400 kV with 2x1500 MVA, 765/400 kV transformers and C) 1x240 MVAR line reactor at both ends of each circuit of Kurnool-Thiruvalam 765 kV D/C line under "System Strengthening XIX in Southern Regional Grid" as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "2014 Tariff Regulations"). The petitioner has also prayed for allowing 90% of the Annual Fixed Charges as per Regulation 7(7) of the 2014 Tariff Regulations.

2. The petition was heard on 3.3.2015 for considering the petitioner's prayer for Annual Fixed Cost as per Regulation 7(7) of the 2014 Tariff Regulations. During the hearing, representative of the petitioner submitted that as per the Investment Approval (IA) of Board of Directors dated 31.8.2012, the schedule completion is within 27 months from the date of IA i.e. 1.12.2014. The asset was commissioned on 29.11.2014 and there is no time over-run in commissioning of the subject assets. The estimated completion cost of the instant asset is ₹182061 lakh against the apportioned approved



cost of ₹189636lakh.Hence, there is cost no over-run.The representative of petitioner further submitted that the Kurnool-Thiruvalam 765 kV D/C line has been charged at 400 kV level because of delay in the supply of 240 MVAR Reactor at Thiruvalam end.

3. None appeared on behalf of the respondents.

4. As per proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant tariff upto 90% of the AFC of the transmission system or element thereof for the purpose of inclusion in POC charges in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission charges and losses), Regulation, 2010. Regulation 7(2) of the 2014 Tariff Regulations provides that the application for tariff should be made in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004 (hereinafter referred to as "2004 Regulations"). Regulation 7(4) of the 2014 Tariff Regulations provides that such an application shall be filed as per Annexure-I of these regulations.

5. We have considered the submissions of the petitioner. The petitioner has made the applications as per Annexure-I of the 2014 Tariff Regulations. The petitioner has also complied with the requirements of 2004 Regulations, such as service of the copy of the application on the beneficiaries, publication of notice and web hosting of the application, etc.

6. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run in case of the instant assets,

which shall be looked into in detail at the time of issue of final tariff, the Commission has decided to allow tariff for the instant assets in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 7 of this order for the years 2014-15 and 2015-16.

7. The details of the tariff claimed by the petitioner and tariff allowed by the Commission are as under:-

A. Annual transmission charges claimed by the petitioner are as follows:-

(₹in lakh)					
<b>Assets</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Asset-I	9995.44	31443.01	32328.16	31807.09	30949.77

B. Annual transmission charges allowed are as follows:-

(₹in lakh)		
<b>Assets</b>	<b>2014-15</b>	<b>2015-16</b>
Asset-I	8496.12	26726.56

8. The AFC allowed in this order shall be applicable from the date of commercial operation of the transmission system and the billing, collection and disbursement of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulation 7(7) of the 2014 Tariff Regulations.

9. The petitioner directed to work out the tax on return on equity and the deferred tax liability for the period 2014-19 as per the observations made in order dated 15.4.2015 in Petition No. 532/TT/2014.

10. The tariff allowed in this order shall be applicable from the date of commercial operation (DOCO) of the transmission system and the billing, collection and disbursement of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time.

11. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 29.5.2015:-

- a. Actual DOCO of the assets. If there is any change in the DOCO, submit the auditor's certificate in case of actual DOCO or Management Certificate in case of anticipated DOCO along with the revised tariff forms.;
- b. The trial operation certificate issued by RLDC and CEA certificate under Regulation 43 of CEA (Measures relating to safety & Electric Supply) Regulations, 2010 for Asset-I;
- c. Status of the project, whether it is operating currently under 400 kV or 765;
- d. Form-8B for claiming additional RoE;
- e. Documents in support of Interest Rates, Repayment Schedules and Exchange Rates (as per Form-9C) of Proposed Loans, Foreign Loan deployed, for Asset-I. If there is any default in interest payment on loan, provide the details;
- f. Submit Form-4A "Statement of Capital Cost" as per Books of accounts (Accrual Basis and cash basis separately) for Asset-I. Amount of Capital Liabilities in Gross Block should also be indicated;
- g. Submit the computation of interest during construction (IDC) along with the editable soft copy in Excel format with links, for Asset for the following periods:-
  - a) From the date of infusion of debt fund up to DOCO as per Regulation 11 (A) (1) of 2014 Tariff Regulation;
- h. Details of incidental expenditure incurred (IEDC) up to DOCO along with liquidated damages recovered or recoverable, if any;

- i. Status of commissioning of the communication system associated with the said transmission asset; and
- j. The working of Income Tax on Return on Equity as per Regulation 25 while arriving at Tariff in the petition. Also to submit details of Deferred Tax Liability and its treatment for the period 2014-19.

sd/-  
**(A.S. Bakshi)**  
Member

sd/-  
**(A.K. Singhal)**  
Member