

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 1/RP/2017**

Subject: Review of the Commission's order dated 22.8.2016 in Petition No. 416/TT/2014 under Regulation 103(1) of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

Date of Hearing : 7.2.2017

Coram : Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member  
Dr. M. K. Iyer, Member

Petitioner : Power Grid Corporation of India Limited (PGCIL)

Respondents : Karnataka Power Transmission Corporation Limited and 16 others

Parties present : Ms. Swapna Seshadri, Advocate, Powergrid  
Shri Jasbir Singh, PGCIL  
Shri S.S. Raju, PGCIL  
Shri M.M.Mondal, PGCIL  
Ms. Supriya Singh, PGCIL  
Ms. Pratibha Raje Parmar, PGCIL  
Ms. E. Shyamala, TANGEDCO  
Shri R. Kathiravan, TANGEDCO  
Shri S. Vallinayagam, TANGEDCO

**Record of Proceedings**

Learned counsel for the review petitioner submitted that the instant review petition is filed for review of order dated 22.8.2016 in Petition No. 416/TT/2014. The review is sought on the aspect of disallowance of Additional Return on Equity, grant of COD of one bay from 27.6.2015 instead of 1.4.2015, disallowance of capital cost to the extent of ₹2264 lakh relating to the GIS bays.



2. The learned counsel for the review petitioner submitted that the Additional RoE was claimed for the New Nagapattinam GIS Sub-station and not for the associated bays for the LIL0 of Neyveli-Trichy at Nagapattinam. The timeline for eligibility for Additional RoE for a 400 kV sub-station is 30 months. The sub-station was commissioned on 1.4.2015 which is within the 30 months from the date of Investment Approval i.e. 3.1.2013. Further, vide affidavit dated 5.4.2016, certificate of the SRPC dated 12.10.2015 was also submitted as per Regulation 24(2)(iii) of the 2014 Tariff Regulations which clearly stated that the commissioning of the GIS will benefit the system operation in the Regional/National grid. The learned counsel submitted that the claim for Additional RoE is justified in terms of Regulation 24(2) and Appendix I of the 2014 Tariff Regulations and requested to allow additional RoE of 0.5% for New Nagapattinam GIS Sub-station.

3. The learned counsel for the review petitioner further submitted that vide affidavit dated 5.4.2016 the CEA certificate dated 27.3.2015 was submitted wherein it was clearly stated that both the bays were charged on 22.3.2015. It is further submitted that Neyveli bay at Nagapattinam was under charged condition since 1.4.2015 as the line from ILFS was terminated at this bay as temporary arrangement. However, SRLDC issued the certificate only when Neyveli line was terminated at its designated bay which was done later in June 2015 as per original SLD. The temporary arrangement was made to facilitate IL&FS for start-up power requirements, and the petitioner cannot be penalized for the same.

4. The learned counsel for the review petitioner further submitted that Gas Insulated Switchgear (GIS) at Nagapattinam is of one and half breaker scheme and unlike in Air insulated switchgear (AIS), the GIS modules for the complete diameter have to be installed to comply with one and half breaker scheme for connectivity with both the main buses 1 & 2. The review petitioner has submitted that capital cost for 9 bays amounting to ₹3383 lakh was claimed in the petition, however, in the order under review, only 3 bays have been considered for tariff and total cost considered on pro-rata basis for 3 bays amounts to around ₹1127 lakh and cost for the remaining 6 bays has been restricted to an amount of ₹2260 lakh.

5. The learned counsel for the Respondent No. 4 (TANGEDCO) submitted that with respect to the first issue of additional RoE, the originally intended Nagapattinam 765/400 kV Pooling station has not yet been completed by the petitioner and the petitioner has completed a part of the sub-station facilitating evacuation of power from IL&FS and therefore claim for additional RoE is unjustified. He further submitted that regarding Commercial Operation Date, even though the Neyveli bay at Nagapattinam was ready, the bay was not used for the intended purpose and review petitioner has



modified the scope of the scheme temporarily for drawal of startup power by IL&FS and therefore, COD could commence only from 28.6.2015 which is the date of bringing the assets into regular use. He further submitted that regarding the issue of disallowance of capital cost to the extent of ₹2264 lakh relating to the GIS bays, the disputed elements are absolutely not required for connecting bus I and II as well as for reliable operation as per the present requirement and in the scenario of Nagapattinam Sub-station being operated as switching station.

6. Referring to the Single Line Diagram filed alongwith the review petition, the Commission directed the review petitioner to submit the status of the modules 5, 6, 8, 9 and ownership of these modules.

7. The Commission reserved the order in the instant review petition.

By order of the Commission

sd/-  
(T. Rout)  
Chief (Law)

