

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 71/TT/2017

Coram:

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

Date of Order : 17.6.2017

In the matter of:

Determination of transmission tariff for 400 kV Salem Pooling Station (Dharmapuri) – Salem 400kV D/C Quad Line along with new 765/400kV Pooling Station at Salem(Dharmapuri)(initially charged at 400kV) and Bay Extensions at Salem 400/220kV existing Sub-station under Transmission System associated with Common System associated with Coastal Energen Private Limited and Ind-Bharat Power (Madras) Limited LTOA Generation Projects in Tuticorin Area – Part-B” in Southern Region for the 2014-19 tariff period 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.

And in the matter of:

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

...Petitioner

Vs

1. Karnataka Power Transmission Corporation Ltd.(KPTCL),
Kaveri Bhavan, Bangalore – 560 009
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 Ltd.
(APEPDCL), P&T Colony, Seethammadhara,
Vishakhapatnam, Andhra Pradesh
8. Southern Power Distribution Company of Andhra Pradesh Limited
(APSPDCL), Srinivasasa Kalyana Mandapam Backside,
Tiruchanoor Road, Kesavayana Gunta,
Tirupati-517 501, Chittoor District, Andhra Pradesh
9. Central Power Distribution Company of Andhra Pradesh Ltd.
(APCPDCL), Corporate Office, Mint Compound,
Hyderabad – 500 063, Andhra Pradesh
10. Northern Power Distribution Company of Andhra Pradesh Ltd.
(APNPDCL), Opp. NIT Petrol Pump, Chaitanyapuri, Kazipet,
Warangal – 506 004, Andhra Pradesh
11. Bangalore Electricity Supply Company Ltd.(BESCOM),
Corporate Office, K.R.Circle
Bangalore – 560 001, Karnataka
12. Gulbarga Electricity Supply Company Ltd.(GESCOM)
Station Main Road, GULBURGA, Karnataka
13. Hubli Electricity Supply Company Limited(HESCOM)
Navanagar, PB Road, Hubli, Karnataka
14. Mescom Corporate Office,
Paradigm Plaza, AB Shetty Circle,
Mangalore-575001, Karnataka
15. Chamundeswari Electricity Supply Corporation Ltd.
(CESC),927, L. J. Avenue, Ground Floor,
New Kantharaj Urs Road
Saraswatipuram, Mysore – 570 009, Karnataka



16. Coastal Energen Private Limited
5th Floor, Buhari Towers,
No. 4, Moores Road
Chennai – 600 006, Tamil Nadu

17. Ind-Bharath Power (Madras) Limited
Plot No 30-A, Road No 1,
Film Nagar, Jubilee Hills
Hyderabad – 500 033, Andhra Pradesh

18. Transmission Corporation of Telangana Limited,
Vidhyut Sudha, Khairatabad,
Hyderabad, 500082

.....Respondents

For petitioner : Shri S.S Raju, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri Jasbir Singh, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Anil Kumar Meena, PGCIL

For respondent : Shri S. Vallinayagam, Advocate, TANGEDCO

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for determination of tariff for 400 kV Salem Pooling Station (Dharmapuri) – Salem 400kV D/C Quad Line along with new 765/400kV Pooling Station at Salem (Dharmapuri) and Bay Extensions at Salem 400/220 kV existing Sub-station (hereinafter referred to as "assets") under Transmission System associated with Common System associated with Coastal Energen Private Limited and Ind-Bharat Power (Madras) Limited LTOA Generation Projects in Tuticorin Area – Part-Bin the Southern Region under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to "2014 Tariff Regulations").



2. The instant assets were scheduled to be commissioned on 19.9.2014. However, they were commissioned on 23.10.2016 after a time over-run of 25 months. The details of cost as on COD and additional capitalization projected to be incurred for the assets covered in the petition as per Auditor Certificates dated 7.12.2016 submitted vide affidavit dated 10.2.2017, are summarized below:-

Apportioned approved cost as per RCE	Cost as on COD	Projected additional capital expenditure			Total estimated completion cost
		2016-17	2017-18	2018-19	
24383.00	21689.28	604.61	815.44	20.00	23129.33

RCE and corresponding apportioned cost has been submitted vide affidavit dated 25.4.2017.

3. The matter was heard on 23.5.2017. During the hearing, the representative of petitioner requested for allowing 90% of the Annual Fixed Charges claimed, in terms of proviso (i) of Regulation 7(7) of 2014 Tariff Regulations. Learned counsel for TANGEDCO submitted that reply has been filed in the matter. The Commission observed that the issues raised by TANGEDCO will be considered at the stage of final hearing.

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) 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 application 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. After carrying out a preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run and cost over-run in case of the instant assets covered, which shall be looked into in detail at the time of grant of final tariff, the Commission has decided to allow tariff in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for the years 2016-17, 2017-18 and 2018-19 for inclusion in the PoC charges as per para 6 of this order.

6. The details of the tariff claimed by the petitioner and tariff awarded by the Commission are as follows:-

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

(₹ in lakh)

2016-17	2017-18	2018-19
1649.94	3836.35	3836.56

B. Annual transmission charges allowed are as follows:-

(₹ in lakh)

2016-17	2017-18	2018-19
1319.95	3069.08	3069.25

7. The Annual Fixed Charges 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.

8. The petitioner is directed to submit the following information on affidavit with a copy to the respondents by 3.7.2017:-

- a. Rejoinder to the reply of TANGEDCO
- b. Chronology of time over-run as per the following format :-

Asset	Activity	Period of activity				Reason(s) for delay
		Planned		Achieved		
		From	To	From	To	

- c. Details of undischarged liabilities as on COD and actual discharge of such liabilities by payments made during 2014-19 for all assets and duly certified by Auditors;
- d. Duly filled up revised Form 4A by clearly mentioning the Gross block as on COD on accrual basis and the liability thereon which is matching with the Cost mentioned in Auditor certificate and Form 5
- e. Revised Form 7 by clearly mentioning the amount claimed towards liability under Regulation 14(1)(i) of 2014 Tariff Regulations separately and the work deferred for execution under Regulation 14(1)(ii) of 2014 Tariff Regulations, separately if any.



f. Details of replaced asset, if any (i.e. date of capitalization of replaced asset, Gross Block, accumulated depreciation till the date of replacement). The Petition Nos., in which the tariff of the replaced assets are claimed by the petitioner.

9. The respondents to file their reply by 17.7.2017 with an advance copy to the petitioner who shall file its rejoinder, if any by 27.7.2017

10. The petition shall be listed for final hearing on 3.8.2017.

sd/-
(Dr. M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

