

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 257/TT/2018

Coram:

**Shri P. K. Pujari, Chairperson
Dr. M. K. Iyer, Member
Shri I. S. Jha, Member**

Date of Order : 12.03.2019

In the matter of:

Approval of transmission tariff from anticipated COD to 31.3.2019 for transmission asset (i) LILO of Kurnool-Thiruvallam 765 kV D/C line at Cuddapah (ii) Cuddapah-Hindupur 400 kV (Quad) D/C line (iii) Establishment of 765/400 kV sub-station at Cuddapah with 2X1500 MVA Transformer (GIS) alongwith associated bays and 2X240 MVAR Bus Reactors (iv) 2X80 MVAR Switchable Line Reactor and 02 nos 400 kV line bays at Hindupur Sub-station under "System Strengthening-XXIV in Southern Region" 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

.....Petitioner

Vs

1. Karnataka Power Transmission Corporation Limited,
(KPTCL), Kaveri Bhawan,
Bangalore – 560009
2. Transmission Corporation of Andhra Pradesh Limited,
(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,
3rd Floor, Panaji, Goa-403001
6. Electricity Department,
Government of Pondicherry,
Pondicherry - 605001
7. Eastern Power Distribution Company of Andhra Pradesh Limited,
(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 Limited,
(APCPDCL), Corporate Office, Mint Compound,
Hyderabad - 500 063, Andhra Pradesh
10. Northern Power Distribution Company of Andhra Pradesh Limited,
(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 - 560001, Karnataka
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 – 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. Transmission Corporation of Telangana Limited
Vidhyut Sudha, Khairatabad,
Hyderabad-500082

...Respondents

For petitioner : Shri S. K. Venkatesan, PGCIL
Shri S. S. Raju, PGCIL
Shri B. Dash, PGCIL
Shri Anshul Garg, PGCIL
Shri Zafrul Hasan, PGCIL

For respondents : Shri S. Vallinayagam, Advocate, TANGEDCO
Shri S. Amali, Advocate, TANGEDCO
Shri R. Kathiravan, TANGEDCO

ORDER

Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for determination of transmission tariff for (i) LILO of Kurnool-Thiruvalam 765 kV D/C line at Cuddapah (ii) Cuddapah-Hindupur 400 kV (Quad) D/C line (iii) Establishment of 765/400 kV sub-station at Cuddapah with 2X1500 MVA Transformer (GIS) alongwith associated bays and 2X240 MVAR Bus Reactors (iv) 2X80 MVAR Switchable Line Reactor and 02 nos 400 kV line bays at Hindupur Sub-station under “System Strengthening-XXIV in Southern Region” in accordance with the Central Electricity



Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations").

2. The petitioner initially in the petition claimed tariff for the asset as a whole with the anticipated COD of 1.7.2018. However, vide affidavit dated 18.2.2019, split the asset into three as follows-Asset-A: LILO of Kurnool-Thiruvalam 765 kV D/C line alongwith bays and equipment at 765 kV/400 kV at Cuddapah Sub-station and establishment of 765/400 kV sub-station at Cuddapah with 2X1500 MVA Transformer (GIS) alongwith associated bays and 2X240 MVAR Bus Reactors at Cuddapah GIS Sub-station; Asset-B: 400 kV D/C line from Cuddapah GIS to LILO point of NP Kunta portion of Cuddapah-Hindupur 400 kV D/C line alongwith bays and equipment at Cuddapah GIS; and Asset-C: 400 kV D/C line from LILO point of NP Kunta to Hindupur Sub-station alongwith 2 nos. 400 kV bays and 2X80 MVAR Switchable Line Reactor and 2 nos. 400 kV line bays at Hindupur Sub-station. The petitioner submitted that Assets-A and B were put into commercial operation on 25.10.2018 and 4.8.2018 respectively. The petitioner has sought approval of Asset-C under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations as 12.10.2018 because it is prevented from being put to use as the associated bays at Hindupur Switchyard, implemented by APTRANSCO are not ready. The petitioner has submitted that with the commercial operation of the instant assets, entire scope of the project has been completed. The scheduled COD of instant assets was 1.7.2018 and there is time over-run in case of all the three assets.



3. The petitioner has also prayed for grant of 90% of the Annual Fixed Charges (AFC) claimed, in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for inclusion in PoC mechanism.

4. The petitioner has claimed the tariff based on actual/estimated expenditure incurred up to COD and additional capitalization incurred from COD to 31.3.2019 in respect of the instant assets. The capital cost claimed by the petitioner is as follows:-

(₹ in lakh)

Particulars	Apportioned Approved Cost as per FR	Expenditure up to COD	Projected Add-Cap			Estimated Completion Cost
			2018-19	2019-20	2020-21	
Asset-A	90756.85	73342.51	1404.08	5830.14	3944.04	84520.77
Asset-B	24178.89	18659.52	361.03	2045.85	1016.01	22082.41
Asset-C	30610.84	23291.25	447.74	1916.72	1257.71	26913.42
Total	145546.58	115293.30	2212.85	9792.71	6217.76	133516.60

Against the total apportioned approved cost of ₹145546.58 lakh, the estimated completed cost is ₹133516.60 lakh, so there is no cost over-run in comparison to apportioned FR cost.

5. During the hearing on 19.2.2019, the representative of the petitioner submitted that the petitioner has filed RLDC certificate, CEA certificate and revised tariff Forms based on actual COD of Assets-A and B and CEA certificate and RLDC correspondences w.r.t. Asset-C. He prayed that provisional tariff as prayed for in the petition may be granted. The learned counsel for TANGEDCO raised the issue of cost variation in case of the instant assets.



6. 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.

7. 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.

8. After carrying out preliminary prudence check of the AFC claimed by the petitioner, the Commission has decided to allow tariff in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for Assets-A and B as given in paragraph 9 of this order. The tariff for Asset-C shall be considered after submission of RLDC certificate by the petitioner and hearing APTRANSCO. APTRANSCO is directed to submit its comments



on the petitioner's prayer for approval of COD of Asset-C under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations.

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

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

(₹ in lakh)

Asset	2018-19 (pro-rata)
Asset-A	5912.42
Asset-B	2222.71
Asset-C	2048.79

B. Annual transmission charges allowed are given below:-

(₹ in lakh)

Asset	2018-19 (pro-rata)
Asset-A	5321.18
Asset-B	2000.43

10. The tariff allowed in this order shall be applicable from the actual CODs of instant assets 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.



11. The Commission directed the petitioner to submit the following information, on affidavit, by 27.3.2019 with an advance copy to the respondents:-

- (a) Reasons for delay in COD of Assets-A, B and C alongwith documents.
- (b) RPC/SCM approval for 2 x 240 MVAR Bus reactors at Cuddapah GIS Sub-station and 2 x 80 MVAR Switchable line reactors at Hindupur Sub-station.
- (c) Reasons for element-wise escalation in capital cost.
- (d) Status of associated transmission system under the scope of APTRANCO and coordination with it.

12. The respondents are directed to file their reply by 12.4.2019 with an advance copy to the petitioner who shall file its rejoinder, if any by 26.4.2019. The parties shall comply with the above directions within the due date mentioned above and no extension of time shall be granted.

13. The next date of hearing shall be intimated to the parties in due course of time.

sd/-
(I. S. Jha)
Member

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

sd/-
(P. K. Pujari)
Chairperson

