

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 367/TT/2018

Coram:

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

Date of Order : 30.04.2019

In the matter of:

Approval of transmission tariff from actual/anticipated COD to 31.3.2019 for "Salem Pooling Station – Madhugiri Pooling Station 765 kV S/C Line (initially charged at 400 kV) along with associated Bays & equipments at Salem PS and Madhugiri PS and 400 kV 63 MVAR line reactor at Madhugiri end only of the Salem Pooling Station – Madhugiri 765 kV S/C Line (Initially charged at 400 kV) under Common System Associated with Coastal Energen Private Limited & Ind-Bharat Power (Madras) Limited LTOA Generation Projects in Tuticorin Area – Part-B" 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 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 Limited (APEPDCL)
APEPDCL, P&T Colony,
Seethmmadhara, 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 – 560 001
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 – 575 001
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
Plt 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 Zafrul Hasan, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri S. S. Raju, PGCIL

For Respondents : Shri S. Vallinayagam, Advocate, TANGEDCO
Shri S. Anadi, Advocate, TANGEDCO

ORDER

Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for determination of transmission tariff from COD to 31.3.2019 for “Salem Pooling Station – Madhugiri Pooling Station 765 kV S/C Line (initially charged at 400 kV) along with associated Bays & equipments at Salem PS and Madhugiri PS and 400 kV 63 MVAR line reactor at Madhugiri end only of the Salem Pooling Station – Madhugiri 765 kV S/C Line (Initially charged at 400 kV) under Common System Associated with Coastal Energen Private Limited & Ind-Bharat Power (Madras) Limited LTOA Generation Projects in Tuticorin Area (hereinafter referred to as “instant assets”) 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”). 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.



2. As per the investment approval dated 16.9.2011, the instant assets was scheduled to put into commercial operation on 15.9.2014. The petitioner vide affidavit dated 5.4.2019 has submitted that the instant asset was put under commercial operation w.e.f. 1.11.2018. Hence, there is a time over-run of about 50 months and 10 days in case of the instant asset.

3. 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 details of the capital cost claimed by the petitioner are as follows:-

(₹ in lakh)						
Apportioned approved cost as per FR	Apportioned approved cost as per RCE	Expenditure up to anticipated COD	Proposed expenditure from COD to 31.03.2019	Estimated capital cost as on 31.3.2019	Proposed expenditure for 2019-20	Estimated completion cost
33278.14	64862.38	69732.12	5003.96	74736.08	1334.05	76070.13

4. The estimated completion cost of ₹ 76070.13 lakh is more than the RCE cost of ₹ 64862.38 lakh. There is cost over-run in case of the instant asset.

5. During the hearing on 9.4.2019, the representative of the petitioner requested for grant Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations. He submitted that the estimated completion cost of the instant



asset is more than the RCE and the petitioner would submit RCE II. He also sought one week time to file Auditor certificate.

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 (hereinafter referred to as "the 2010 Sharing Regulations"). 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 "the 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 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.

8. After carrying out preliminary prudence check of the AFC claimed by the petitioner for Asset and taking into consideration the time over-run which will be considered in



detail at the time of issue of final order, the Commission has decided to allow tariff in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in paragraph 9 of this order.

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)
2018-19
(pro rata)
7184.47

B. Annual transmission charges allowed are given below:-

(₹ in lakh)
2018-19
(pro rata)
4988.24*

* The tariff has been calculated on the basis of estimated completion cost till 31.3.2019.

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 2010 Sharing Regulations, 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 petitioner is directed to submit the following information on affidavit with an advance copy to the beneficiaries by 17.5.2019:-

- i. Details of time over-run and chronology of activities along with documentary evidence as per the format given below: -

Srl.No	Activity	Schedule		Actual		Remarks, If any
		From	To	From	To	
1.	LOA					
2.	Supplies					
3.	Foundation					
4.	Tower erection					
5.	Stringing					
6.	Testing and COD					

- ii. The CMD certificate as required under Grid Code.
- iii. The revised tariff forms based on actual COD to 31.3.2019.
- iv. The status of associated generation details.
- v. As compared with apportioned approved cost (FR), the estimated completion cost is varied about 128.58%, justify the same.

12. The respondents are directed to file their reply by 24.5.2019 with an advance copy to the petitioner who shall file its rejoinder, if any by 31.5.2019. 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 will be intimated in due course of time.

sd/-
(I. S. Jha)
Member

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

sd/-
(P. K. Pujari)
Chairperson

