

CENTRAL ELECTRICITY REGULATORY COMMISSION

4th Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001

Ph: 23753942 Fax-23753923

Petition No. 120/TT/2020

Date: 5.3.2020

To

Shri S.S. Raju,
Senior General Manager
(Commercial) Power Grid
Corporation of India Limited,
Saudamini, Plot No. 2,
Sector-29, Gurgaon-122001

Subject: Truing up of transmission of 2014-19 period and determination of transmission tariff of 2019-24 period for transmission assets under SRSS XIX in Southern Region Asset-1: LILO of existing Kolar-Sriperumbudur 400 kV S/C line at Thiruvalem along with associated bays; Asset-2:Kurnool-Thiruvalem 765 kV D/C line alongwith associated bays and equipments both at Kurnool andThiruvalem Sub-stations (charged at 400 kV) and 2x240 MVAR, 765 kV line reactor at both Kurnool and Thiruvalem Sub-stations alongwith associated bays and equipment; Asset-3: Upgradation of 400 kV Sub-station at Thiruvalem to 765/400 kV with 2x1500 MVA, 765/400 kV transformers;Asset-4:765kV and 400kV ICT bays at Triruvalem

Sir,

With reference to your petition mentioned above, I am directed to request you to furnish the following information under Regulation 87(2) of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, on an affidavit, with an advance copy to the respondents/beneficiaries, latest by 12.3.2020:-

2014-19 period

- a) Justification for claiming higher add-cap of 495.16 lakh in Asset-1 for 2014-19 period as against 399.08 lakh approved by the Commission, when the same was submitted to be on account of retention payments; Explain increase of 96.08 lakh in total cost as on 31.3.2019

- b) Explain reasons for change in nature of add-cap of Asset-1 as submitted vide affidavit dated 8.12.2015 and approved by the Commission for the 2014-19 period from recognized liabilities yet to be discharged (balance / retention payments) to works deferred for execution as an amount of 185.68 lakh has been claimed under works deferred for execution for the year 2016-17.
- c) Explain reasons for claiming Additional RoE for Asset-1 with line length 12.138 km, which is below 50 km limit as per 2014 Tariff Regulations
- d) Reasons for showing expenditure beyond 21.3.2015 (Refer: table for Asset-1 at para 10.1 of the petition) for tariff of 2014-19 period
- e) Explain reasons for change in nature of add-cap of Combined Asset-2 and 3 (as submitted and approved for the 2014-19 period) from recognized liabilities yet to be discharged (balance / retention payments) to works deferred for execution as an amount of 1823.18 lakh has been claimed under works deferred for execution for the years 2014-15 to 2017-18

Year	2014-15	2015-16	2016-17	2017-18
Balance Work	100.24	1091.98	526.24	104.72

- f) Reasons for claiming add-cap of 68.21 lakh for Asset 3 after cut-off date in accordance with Regulation 14(3)(v) including but not limited to the following details:
- i. Estimated package-wise break-up of total cost for which the payments have been withheld
 - ii. Break-up of undischarged liabilities with respect to each package for 2017-18 and 2018-19 periods
 - iii. Package-wise reasons for withholding of such payments
 - iv. Package-wise reasons for eventual release of such payments
- g) Form-12A provided for Combined Asset 2 and 3 shows IEDC of 239.64 lakh matching with IEDC for Asset 3 as per Auditor certificate.
- i. Confirm whether IEDC of 239.64 lakh is for Asset 3 alone or for combined Asset 2 and 3.
 - ii. In case of latter for (1) above, provide Form 12A for Asset 3 separately.
 - iii. In case of former for (1) above, explain reasons for including the entire IEDC amount of 300.59 lakh (Combined Asset 2 and 3 shows IEDC of 239.64 lakh while Form 12A of Asset 4 shows IEDC of 60.95 lakh) despite no condonation of delay of 3 months and 22 days
 - iv. Detailed working of 35.53 lakh proposed to be deducted in submission on Review Petition No. 37/RP/2016, including start date for working out the pro-rated IEDC allowable upto SCOD of 1.12.2014
- h) Reasons for claiming higher addition in gross block of 752.93 lakh and 28.74 lakh in Form-4A for 2016-17 and 2018-19 respectively as against 526.24 lakh and NIL claimed in Form-7 for the respective years for Combined Asset 2 and Asset 3.

- i) Clarify the claim of Initial Spares by matching it with asset description as provided in Form-2 and the specific Regulation under which the same is being claimed (Brown Field, Series Compensation, GIS, etc.). The discrepancy in the submission is given below.

Assets	Particulars as claimed	Initial Spares Ceiling Limit claimed	Nature of Asset as per Form No. 2	Initial Spares Ceiling Limit applicable
Substations				
Asset-1	S/S (AIS)	6%	400 kV Bays at Thiruvalem (Conventional)	Brownfield - 6%
Asset-2	S/S (AIS)	4%	<ul style="list-style-type: none"> • 765 kV (GIS) Bays at Thiruvalem • 765 kV (Conventional) Bays at Kurnool 	<ul style="list-style-type: none"> • Rate for GIS is 5% • Rate for Conventional is 6% for Brownfield and 4% for Green Field
Asset-3	S/S (AIS)	4%	765 kV ICTs(GIS) at Thiruvalem Series Compensation	Series Compensation . 4%
Asset-4	S/S (AIS)	6%	<ul style="list-style-type: none"> • 765 kV ICT Bays(GIS) at Thiruvalem • 400 kV ICT Bays (Conventional) at Thiruvalem 	<ul style="list-style-type: none"> • Rate for GIS is 5% • Rate for Conventional is 6% for Brownfield and 4% for Green Field
Transmission Line				
Asset-1	TL	0.75%	LILO of 400 kV S/C line	1% as per 2014 Regulations
Asset-2	TL	1%	Transmission Line	1% as per 2014 Regulations

- j) Undertaking on affidavit that actual equity infused for the additional capitalisation during 2014-19 is not less than 30% for the given transmission asset(s).

2019-24 period

- k) Reasons for increase in total cost for Combined Asset 2 and Asset 3 as on 31.2.2024 by 1274.53 lakh i.e. from 179327.27 lakh to 180601.8 lakh, while the projected add cap in Petition No. 534/TT/2014 was on account of retention/balance payments

Particulars	Capital Cost as on COD (21.3.2015)	Add-cap 2014-19	Total - 31.3.2019	Projected Add-cap 2019-24	Total Cost - 31.3.2024
Combined Asset 2 and Asset 3 as allowed in 534/TT/2014 (O)	161,317.78	18,009.49	179,327.27	-	179,327.27

Particulars	Capital Cost as on COD (21.3.2015)	Add-cap 2014-19	Total - 31.3.2019	Projected Add-cap 2019-24	Total Cost - 31.3.2024
Combined Asset 2 and Asset 3 without bay extension Asset as per order in 37/RP/2016 (A)	158,518.77	15,028.59	173,547.36	1,175.79	174,723.15
Asset 4 - bay extension separated as per order in 37/RP/2016 (B)	4,170.17	1,708.48	5,878.65	-	5,878.65
Total - Combined Asset 2 and Asset 3 with bay extension in Asset 4 (C) = (A)+(B)	162,688.94	16,737.07	179,426.01	1,175.79	180,601.80
Difference (C) – (O)	1,371.16	(1,272.42)	98.74	1,175.79	1,274.53

- l) Reasons for claiming add-cap of 1,175.79 lakh for combined Asset 2 and 3 after cut-off date in accordance with Regulation 24(1)(a) including but not limited to the following details:
1. Explain the reasons with documentary evidence that this payment is within the original scope of work
 2. Liability flow statement
 3. Package-wise reasons for withholding of such payments
- m) Confirmation whether any further previously recognized liabilities remain to be discharged for 2019-24 period other than 1,175.79 lakh as submitted

Forms

- n) Form-5 (Element Wise Break Up of Project/Asset/Element cost of Transmission System)
- o) Flow of liabilities statement as per enclosed **Annexure – I**.
- p) Form-13 (Break up of Initial Spares)

2. In case the above said information is not filed within the specified date, the petition shall be disposed on the basis of the information already on record.

Yours faithfully,

Sd/-
(Kamal Kishor)
Assistant Chief (Legal)

