

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 115/TT/2020

- Subject** : Petition for revision of transmission tariff of the 2004-09, 2009-14 tariff periods, truing up of transmission tariff of the 2014-19 period and determination of transmission tariff of 2019-24 period for three assets under “Augmentation of capacity of Gazuwaka HVDC back to back project (500 MW)” Southern and Eastern Regions.
- Date of Hearing** : 20.4.2021
- Coram** : Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member
- Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : Karnataka Power Transmission Corporation Ltd. &
22 Others
- Parties present** : Shri B. Vinodh Kanna, Advocate, TANGEDCO
Shri S. S. Raju, PGCIL
Shri A. K. Verma, PGCIL
Shri B. Dash, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Shri D. K. Biswal, PGCIL
Ms. R. Ramalakshmi, TANGEDCO
Dr. R. Kathiravan, TANGEDCO

Record of Proceedings

Case was called out for virtual hearing.

2. The representative of the Petitioner made the following submissions:
 - a. The instant petition has been filed for revision of transmission tariff of the 2004-09 and 2009-14 tariff periods, truing up of transmission tariff of 2014-19 period and determination of tariff of 2019-24 period in respect of the following transmission assets:

Asset-I: 500 MW HVDC back to back station at Gazuwaka;



Asset-II: Vijayawada-Gazuwaka 400 kV D/C Line & 50% FSC Jeypore-Gazuwaka 400 kV D/C T/L at Jeypore; and

Asset-III: (a) 40% FSC on Rengali-Indravati 400 kV S/C T/L & (b) 40% FSC on Meramundali-Jeypore 400 kV S/C T/L at Jeypore under “Augmentation of capacity of Gazuwaka HVDC back to back project (500 MW)” Southern and Eastern Regions.

- b. Assets-I and II were put under commercial operation on 1.3.2005 while the Asset-III was put under commercial operation on 1.10.2005.
- c. Revised transmission tariff for 2004-09 period is claimed on account of change in Interest on Loan (IOL) and Interest on Working Capital (IWOC) to the extent of revision in IOL and Maintenance Spares owing to the judgments dated 22.1.2007 and dated 13.6.2007 in Appeal Nos. 81 of 2005 and 139 of 2006 of Appellate Tribunal for Electricity (APTEL) read with the Commission’s order dated 18.1.2019 in Petition No.121 of 2007.
- d. Transmission tariff for 2009-14 period was trued up and tariff for 2014-19 tariff period was approved by the Commission vide order dated 17.12.2015 in Petition No. 509/TT/2014.
- e. There was no Additional Capital Expenditure (ACE) during the 2014-19 tariff period. Truing up is being claimed on the basis of the cost admitted by the Commission in the previous order dated 17.12.2015 in Petition No. 509/TT/2014.
- f. ACE and decapitalization have been projected for 2019-24 tariff period on account of upgradation of FSCs in view of obsolescence. As the FSCs were not performing satisfactorily due to lack of spare parts, the OEM suggested for replacement of old control and protection system at Jeypore and Rengali Sub-stations with latest technology. The ACE is covered under Regulation 25(2)(c) of the 2019 Tariff Regulations.
- g. Reply to Technical Validation (TV) letter was filed vide affidavit dated 10.12.2020. Due to confusion, two tariff petitions have been filed for the subject assets, one of them is the instant petition and the other one is Petition No. 507/TT/2020. Petition No. 507/TT/2020 is tentatively scheduled for hearing in May, 2021 wherein the TV letter has been issued. Request is made for merger of reply to the TV letter issued in Petition No. 507/TT/2020 to the present petition and continuance of the present petition for the purpose of tariff determination.
- h. Rejoinder to the reply of TANGEDCO has been filed vide affidavit dated 13.4.2021.

3. On a query of the Commission, the representative of the Petitioner submitted that depreciation is claimed in line with the view taken by the Commission in other petitions. He also submitted that only few equipment/components of the FSCs are being replaced



and not all the FSCs. An Internal Committee was constituted to study the performance of the FSCs. Based on the recommendations of that Committee, equipment of FSCs was changed.

4. Learned counsel for TANGEDCO has requested to permit him to upload reply on e-filing portal and has made the following oral submissions:

- a. The claim for revision of tariff for 2004-09 tariff period is not justifiable as neither the Electricity Act, 2003 nor the Tariff Regulations permit such retrospective revision of bills and the same is unreasonable and contrary to the settled position of law. Current consumers of the TANGEDCO cannot be burdened with the liability of retrospective tariff and similarly the ARR of TANGEDCO cannot be revised retrospectively.
- b. The Petitioner has submitted that OEM has suggested the replacement of old control and production system at Jaypore and Rengali Sub-stations and in support of the same, the Petitioner has submitted the tripping details of FSCs but has failed to submit the reports of the OEM with regard to non-availability of spares and also the minutes of meetings of the Internal Committee wherein the decision to replace the FSCs was taken. The replacement of such equipment before expiry of their useful life will be a huge burden upon the beneficiaries. Such a change must have been discussed with the beneficiaries.

5. The Commission directed the Petitioner to place on record Internal Committee Report based on which decision to replace FSCs was taken by 10.5.2021. The Commission further directed TANGEDCO to upload its reply by 24.4.2021 and the Petitioner to file rejoinder, if any by 10.5.2021.

6. Subject to the above, the Commission reserved order in the matter.

By order of the Commission

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(V. Sreenivas)
Deputy Chief (Law)

