

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 134/TT/2020

- Subject** : Petition for truing up of transmission tariff of 2014-19 period and determination of transmission tariff of 2019-24 period for 765 kV D/C Srikakulam-Angul Transmission Line under the Transmission System associated with Common System associated with East Coast Energy Pvt. Ltd. and NCC Power Projects Ltd. LTOA Generation Projects in Srikakulam Area, Part-A in Southern Region
- Date of Hearing** : 8.6.2021
- Coram** : Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Pravas Kumar Singh, Member
- Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : Karnataka Power Transmission Corporation Ltd.
& 24 Others
- Parties present** : Shri B. Vinodh Kanna, Advocate, TANGEDCO
Shri S. S. Raju, PGCIL
Shri A. K. Verma, PGCIL
Shri D. K. Biswal, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Ms. R. Ramalakshmi, TANGEDCO
Mr. R. Srinivasan, 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 truing up of transmission tariff of 2014-19 period and determination of transmission tariff of 2019-24 period for 765 kV D/C Srikakulam-Angul Transmission Line under the Transmission System associated with Common System associated with East Coast Energy Pvt. Ltd.



and NCC Power Projects Ltd. LTOA Generation Projects in Srikakulam Area, Part-A in Southern Region;

- b. The Commission vide order dated 19.7.2018 in Petition No. 230/TT/2016 allowed the transmission tariff for the 2014-19 tariff period and condoned the time over-run of 20 months 3 days in commissioning of the transmission asset;
- c. The following details of the transmission asset are explained in the petition:
 - i. FR cost, apportioned approved cost as per Revised Cost Estimate (RCE), capital cost allowed as on COD, Additional Capital Expenditure (ACE) admitted for 2016-17, 2017-18 and 2018-19 tariff periods and estimated completion cost as on 31.3.2019;
 - ii. Actual ACE incurred during 2014-19 period and cost claimed (with marginal variation than what was approved) as on 31.3.2019;
 - iii. Initial Spares claimed are within the norms specified; and
 - iv. The ACE projected in the year 2019-20 and total estimated completion cost as on 31.3.2024.
- d. The information sought through Technical Validation letter was filed vide affidavit dated 10.12.2020 wherein Liability Flow Statement along with details of ACE claimed in 2014-19 and 2019-24 tariff periods have been submitted;
- e. Requested to allow the capital cost as on 31.3.2024 which is within the approved cost as per RCE-II and transmission tariff for the respective tariff periods.

3. Learned counsel for TANGEDCO submitted that reply in the matter has been e-mailed to the Petitioner but the same could not be uploaded on the Commission's e-filing portal and requested for Commission's leave to upload the same and made the following submissions during the hearing:

- a. Anti-dumping duty levied on the insulator package awarded to Shandong led to 51.61% increase in the insulator cost in RCE-II as compared to RCE-I.
- b. Requested the Commission to reject and disallow the cost over-run claim of the Petitioner on the following grounds:
 - i. Transmission Charges could have been minimized, if the Petitioner, which is an established transmission utility had followed the Tariff Based Competitive Bidding Route rather than Cost Plus Route as per the guidelines envisaged in the Staff Paper of the Ministry of Power;



- ii. While preparing for the cost estimates and obtaining investment approval, prudent utility practices were not adopted by the Petitioner; and
 - iii. The burden of cost over-run due to variations in quantities under contractual exigencies cannot be passed on to the beneficiaries.
 - c. Confirmed receipt of Liability Flow Statement along with details of ACE claimed in 2014-19 and 2019-24 periods and prayed the Commission to disallow ACE claim as the Petitioner is not entitled to claim ACE by simply mentioning the amount or filing the Auditor's certificate. In terms of Regulation 14 of the 2014 Tariff Regulations, claim of ACE may be allowed on submission of clarifications and detailed justifications but the Petitioner has not disclosed reasons for withholding the payments for more than 2 years and list of un-executed/deferred works has also not been submitted; and
 - d. The arguments extended by TANGEDCO in earlier petitions pertaining to Petitioner's claim of GST and sharing of transmission charges may be considered in this petition also.
4. The Commission permitted Respondents including TANGEDCO to submit/upload their reply by 16.6.2021 and directed the Petitioner to file rejoinder, if any, by 28.6.2021 and observed that no extension of time shall be granted.
5. Subject to the above, the Commission reserved the order in the matter.

By order of the Commission

sd/-
(V. Sreenivas)
Deputy Chief (Law)

