

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 41/TT/2020

- Subject** : Petition for truing up of transmission tariff of the 2014-19 tariff period and determination of transmission tariff of the 2019-24 tariff period for two assets under Transmission System associated with Common System associated with Coastal Energen Pvt. Ltd. (CEPL) and Ind-Bharat Power (Madras) Ltd. (IBPL) LTOA Generation Projects in Tuticorin Area-Part-A in Southern Region
- Date of Hearing** : 18.5.2021
- 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. & 18 Others
- Parties Present** : Shri B. Vinodh Kanna, Advocate, TANGEDCO
Shri S. S. Raju, PGCIL
Shri B. Dash, PGCIL
Shri V. P. Rastogi, PGCIL
Shri A. K. Verma, PGCIL
Shri R. Srinivasan, TANGEDCO
Ms. R. Ramalakshmi, 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 the 2014-19 tariff period and determination of transmission tariff of the 2019-24 tariff period for the Combined Asset under the captioned Transmission System in Southern Region consisting of the following assets:
- Asset 1:** LILO of one circuit of Tuticorin JV-Madurai 400 kV (Quad) Transmission Line at Tuticorin Pooling Station along with new 765 kV Pooling Station at Tuticorin (initially charged at 400 kV) and 1x80 MVAR 400 kV Bus Reactor at Tuticorin Pooling Station; and
- Asset 2:** LILO of 2nd circuit of Tuticorin JV-Madurai 400 kV (Quad) Transmission Line at Tuticorin Pooling Station.



- b. The entire scope of the instant Transmission System has been completed. The date of commercial operation (COD) of Asset 1 and Asset 2 was 4.1.2015 and 8.1.2015 respectively;
- c. Apportioned approved cost as per FR, capital cost allowed as on COD, Additional Capital Expenditure (ACE) during 2014-15, 2015-16 and 2016-17 periods, total estimated completion cost allowed as on 31.3.2019 for Asset-1 and Asset-2 have been given in the petition. The transmission tariff for the transmission assets for the period from COD to 31.3.2019 was allowed by the Commission vide order dated 29.7.2016 in Petition No. 127/TT/2014;
- d. The actual capital cost details including actual ACE incurred during the 2014-19 tariff period for Asset 1 and Asset 2 have been submitted in the petition;
- e. The Commission vide order dated 29.7.2016 gave the following directions to the Petitioner for compliance at the time of true up:
- i. Submit documentary proof showing tendering and re-tendering of award of turnkey package contract, leading to time over-run of 8 months and 24 days in case of Asset 1 and 8 months and 28 days in case of Asset 2 respectively; and
 - ii. Explanation(s) pertaining to deployment of funds before date of actual Investment Approval (I.A.).
- f. The Petitioner has accordingly submitted all the documents regarding tendering and re-tendering and award of contracts.
- g. The Chairman of the Petitioner company by virtue of the delegated powers to deploy funds, advanced the expenditure, by way of infusing Bond XXXIV on 21.10.2010 before the date of I.A. (5.12.2011) for purchase of the sub-station lines. Further, cash IDC statements mention date of drawl before date of I.A;
- h. While determining the tariff, consider the fact that the bank guarantee submitted by SIEMENS as bid security was encashed by the Petitioner, credit of which is given in IEDC and accordingly capital cost has been arrived at;
- i. As per the directions of the Commission in order dated 29.7.2016 pertaining to sharing of transmission charges, the Petitioner had encashed the BG for adjusting the 50% of billed transmission charges unpaid by IBPL while 50% of transmission charges billed on CEPL were duly paid by it. Other compliances in relation to sharing of transmission charges have been mentioned in the instant petition;
- j. Requested the Commission to:
- condone the delay in commissioning of Asset-1 and Asset-2 based on documentary evidence submitted and succinctly explained in the petition;
 - allow capital cost as claimed in the petition;
 - allow actual IDC for Asset-2;
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- allow fund deployment before date of I.A.; and
- grant tariff as claimed in the petition.

k. The information sought through Technical Validation letter was filed vide affidavit dated 23.7.2020.

l. One week time may be granted to file un-notarized rejoinder to the reply of TANGEDCO due to the prevailing pandemic situation and to file rejoinder supported by affidavit as soon as the situation improves.

3. The learned counsel for TANGEDCO submitted that TANGEDCO has placed comprehensive and exhaustive counter-objections in its reply with respect to the submissions and claims made by the Petitioner in the petition and it may be considered.

4. The learned counsel for TANGEDCO requested the Commission to consider the following prayers of TANGEDCO while determination of tariff in the instant petition:

- a. To deduct IDC and IEDC for the time over-run period for Asset 1 and Asset 2;
- b. To deduct the excess initial spares claimed for Asset 2;
- c. To direct the Petitioner to place on record the details of recovery made from the generators till the commissioning of the dedicated lines;
- d. To consider the date of I.A. as the date of infusion for calculating IDC; and
- e. To allocate the trued up Yearly Transmission Charges (YTC) up to 31.10.2020 as per 2010 Sharing Regulations 2010 and YTC from 1.11.2020 as per 2020 Sharing Regulations.

5. The Commission permitted the Petitioner to file the rejoinder by 30.5.2021 and to file/upload the notarized rejoinder as soon as the prevailing pandemic situation improves.

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

By order of the Commission

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

