

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 662/TT/2020

Subject : Petition for determination of transmission tariff of 2019-24 period for three assets under “System Strengthening in Southern Region–XXI” in Southern Region.

Date of Hearing : 29.10.2021

Coram : Shri P.K. Pujari, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri P.K. Singh, Member

Petitioner : Power Grid Corporation of India Ltd.

Respondents : Tamil Nadu Generation and Distribution Corporation Ltd.& 16 Others

Parties present : Shri S. Vallinayagam, Advocate, TANGEDCO
Shri S. S. Raju, PGCIL
Shri D.K. Biswal, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Dr. R. Kathiravan, TANGEDCO
Shri R. Ramalakshmi, TANGEDCO
Shri 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 determination of transmission tariff of 2019-24 period for the following assets under System Strengthening in Southern Region–XXI:

Asset-1: Installation of +/- 200 MVAR Dynamic Compensation (STATCOM) along with 2x125 MVAR Mechanically Switched Reactor (MSR) and 1x125 MVAR Mechanically Switched Capacitor (MSC) and coordinated control mechanism of MSCs and MSRs at 400 kV Hyderabad Sub-station;

Asset-2: Installation of +/- 200 MVAR STATCOM along with 2x125 MVAR Mechanically Switched Reactor (MSR) and 1x125 MVAR Mechanically



Switched Capacitor (MSC) and coordinated control mechanism of MSCs and MSRs at 400/230 kV Udumalpet Sub-station; and

Asset-3: Installation of +/- 200 MVAR STATCOM along with 2x125 MVAR Mechanically Switched Reactor (MSR) and 1x125 MVAR Mechanically Switched Capacitor (MSC) and coordinated control mechanism of MSCs and MSRs at 400/230 kV Trichy Sub-station.

b. Assets-1, 2 and 3 were put under commercial operation on 4.9.2019, 20.12.2019 and 28.12.2019 respectively.

c. The scope of scheme was discussed and agreed in 35th and 36th meeting of the Standing Committee on Power System Planning of Southern Region held on 19.2.2013 and 27.9.2013 respectively and in the 22nd and 23rd SRPC meeting held on 18.5.2013 and 26.10.2013 respectively. The Board of Directors of the Petitioner accorded Investment Approval for the project vide memorandum dated 16.9.2016.

d. Ministry of Power approved PSDF grant for the project vide letter dated 22.5.2017.

e. In terms of Ministry of Power letter dated 22.5.2017, PSDF grant was sanctioned to the Petitioner which postulated that the project was to be completed within 30 months from the date of release of first installment of PSDF grant. Accordingly, the scheduled date of commercial operation of the project was 22.5.2020 against which the project was put into commercial operation till 28.12.2019. There is no delay in implementing of the project on reckoning the scheduled commercial operation date from the date of grant of PSDF letter dated 22.5.2017. However, there is time over-run of 5-9 months in case of the transmission as per the original approved schedule in the Investment Approval.

f. Detailed reasons for time over-run have been furnished in the petition. Application for PSDF grant was moved on 7.1.2016 and grant was received on 22.5.2017 which led to time delay. Apart from this, considerable delay was there in disbursement the PSDF grant whose details have been given in chronological order in the petition.

g. Grant received has been adjusted in the completion cost as on the date of commercial operation. Grant received after filing of the petition has to be adjusted against Additional Capital Expenditure (ACE). Hence, time is sought to revise the tariff claimed and to file revised tariff forms.

h. Cost variation is mainly on account of IDC and IEDC and cost variation in equipment including civil works.

i. Initial Spares are within the norms.

j. Reply to the Technical Validation letter has been filed vide affidavit dated 15.9.2021.



- k. Two weeks' time was sought to file rejoinder to the reply filed by TANGEDCO.
3. Learned counsel for TANGEDCO referred to his reply and made the following submissions:
- a. As per Regulation 22 of the 2019 Tariff Regulations, IDC and IEDC can only be allowed if the same is on account of uncontrollable factors. The Petitioner is required to explain the same.
 - b. As per Regulation 18 of the 2019 Tariff Regulations any grant received for execution of the project cannot be considered as a part of capital structure for the purpose of debt-equity ratio.
 - c. Sharing of charges from 1.11.2020 onwards should be allowed as per the 2020 Sharing Regulations.
4. In response to a query of the Commission, the representative of the Petitioner submitted that issue of time over-run on account of approval and disbursement of the PSDF grant was also discussed in the SRPC meeting.
5. The Commission directed the Petitioner to file rejoinder to the reply of TANGEDCO and revised tariff forms by 25.11.2021. The Commission further directed the Petitioner to submit Form-12 in respect of all the assets covered in the present petition on or before 25.11.2021. The Commission observed that due date of filing should be strictly adhered to and no extension of time shall be granted.
6. After hearing the parties, the Commission reserved order in the matter.

By order of the Commission

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

