

CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi

Petition No. 663/TT/2020

Subject	:	Petition for determination of transmission tariff of 2019-24 period in respect of two no. of assets covered under “Transmission System associated with Kudankulam Atomic Power Project (2X1000 MW)” in the Southern Region.
Date of Hearing	:	22.6.2021
Coram	:	Shri P.K. Pujari, Chairperson Shri I. S. Jha, Member Shri Pravas Kumar Singh, Member
Petitioner	:	Power Grid Corporation of India Ltd.
Respondents	:	Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) and 17 others
Parties present	:	Shri B. Vinodh Kanna, Advocate, TANGEDCO Shri S.S. Raju, PGCIL Shri D.K. Biswal, PGCIL Shri Ved Prakash Rastogi, PGCIL Shri A.K. Verma, 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 has made the following submissions:
 - a. The instant petition is filed for determination of transmission tariff for 2019-24 period in respect of
 - i. Asset-I: Circuit-I of Tirunelveli-Muvathapuza (Cochin) 400 kV Quad D/C line (Tirunelveli to Edmon on Multi Ckt line and Edmon to Cochin on D/C line); and
 - ii. Asset-II: Circuit-II of Tirunelveli-Muvathapuza (Cochin) 400 kV Quad D/C line (Tirunelveli to Edmon on Multi Ckt line and Edmon to Cochin on D/C line) under “Transmission System associated with Kudankulam Atomic Power Project (2X1000 MW)” in Southern Region.
 - b. Investment Approval (IA) of the transmission project was accorded by the Government of India *vide* Memorandum dated 25.5.2005. Assets-I and II were declared under commercial operation on 27.9.2019 and 20.12.2019 respectively.



There was delay of about 10 years, 9 months and 26 days in COD of Asset-I and 11 years and 19 days in COD of Asset-II.

- c. The subject transmission assets were primarily delayed due to Right of Way (RoW) issues in the State of Kerala despite taking up of the matter at the highest levels of both the Central and State Governments. Detailed reasons with justifications for delay including chronology of events leading to time delay have been given in the petition. Reasons for delay in execution of the subject assets were beyond its control.
- d. The details of capital cost as on COD, projected Additional Capital Expenditure (ACE) during 2019-24 period, approved cost as per FR and RCE-2 have been submitted in the instant petition. RCE-3 has been approved and submitted in the present petition. Projected capital cost as on 31.3.2024 in respect of Assets-I and II is within RCE-3. The Commission may consider the capital cost approved in RCE-3.
- e. Kerala State Electricity Board has filed its reply *vide* affidavit dated 7.6.2021 and the Petitioner has filed its rejoinder thereto *vide* affidavit dated 15.6.2021.
- f. Additional information sought through Technical Validation letter has been filed *vide* affidavit dated 15.6.2021.

3. Learned counsel for TANGEDCO has made the following oral submissions:

- a. There is inordinate time over-run in case of the instant assets which has made the transmission project economically unviable.
- b. The instant assets are the remaining two elements out of total 20 elements of the transmission project.
- c. The Petitioner has not adopted prudent practices during the initial stages of survey of the transmission project and no proper study was undertaken in ascertaining the requirements of the transmission project.
- d. The Petitioner did not revisit the requirements of the transmission project after the transmission project experienced various delays due to RoW issues. Accordingly, there are large escalations in capital cost, IDC and IEDC of the instant assets.
- e. The Petitioner has also paid huge amounts towards compensation to landowners in settling the RoW issues and the compensation to landowners was not restricted as per the guidelines issued by Ministry of Power (MoP). The Petitioner may be directed to submit the detailed statement of calculation of compensation as per the guidelines of MoP and excess amount paid as compensation by the Petitioner.
- f. IDC and IEDC may be restricted during the period of time over-run.
- g. One week time may be granted to submit its detailed reply covering all the issues covered in the petition.

4. After hearing the parties, the Commission permitted TANGEDCO to file its reply by 9.7.2021 with copy of the same to the Petitioner and the Petitioner to file its rejoinder, if any,



by 19.7.2021. The Commission further directed the Petitioner to furnish revised Form 5 in excel format as submitted by the Petitioner in response to Technical Validation letter vide affidavit dated 15.6.2021 with legible copy of the same to all the Respondents by 7.7.2021.

5. The Commission also directed the Petitioner and Respondents to comply with above directions within the specified timeline and observed that no further extension of time shall be granted.

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

By order of the Commission

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

