

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 494/TT/2019

Coram:

**Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member**

Date of Order: 11.02.2021

In the matter of

Approval under Regulation-86 of CERC (Conduct of Business) Regulations, 1999 and CERC (Terms and Conditions of Tariff) Regulations, 2014 for determination of Transmission tariff from COD to 31.3.2019 for **Asset-1:** OPGW Fiber Links (98.484 Km) Hoody-Yelahanka LILO Point of Neelmangala-Hoody, Hoody-HSR (KPTCL), Peenya-NRS-Hebbal (KPTCL), Hoody-HAL (KPTCL), LILO of Pondy-Sriperambadur to SV Chatram (TANTRANSCO), LILO of Neyveli TS-11-Neyveli TS-1 to NNTPS, Salem (PG) – Salem (TNEB), Sriperumbudur (PG)-Sriperumbudur (TNEB) and **Asset-2:** Salem PS (Dharmapuri) – Madhugiri (Tumkur) OPGW Link (246.197 Km) under “Fiber Optic Communication system for Central Sector Sub-stations & Generating Stations” in Southern Region.

And in the matter of

Power Grid Corporation of India Limited
"Saudamini", Plot No.2,
Sector-29, Gurgaon -122 001

.... Petitioner

Versus

Users under the category of Generating Stations and Sellers

1. National Thermal Power Corporation Ltd.
(NTPC Ltd.), NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi – 110003
2. National Thermal Power Corporation Ltd.
Ramagundam STPS, RSTPS, Jyothi Nagar,
District: Karim Nagar, A.P.-505215
3. National Thermal Power Corporation Ltd.



Talcher STPS, Kaniha,
P.O. Deepshikha,
District: Angul, Orissa: 759147

4. National Thermal Power Corporation Ltd.
Simhadri Super Thermal Power Project,
Post: NTPC Simhadri – 531020,
District: Vishakhapatnam, A.P.
5. Neyveli Lignite Corporation Ltd.
P.O. Neyveli-607801,
District: Cuddalore,
Tamil Nadu
6. Nuclear Power Corporation of India Ltd. (NPCIL),
Nabhkiya Bhawan, Anu-Shakti Nagar,
Mumbai-400094
7. Nuclear Power Corporation of India Ltd. (NPCIL),
Madras Atomic Power Station (MAPS),
Kalpakkam-603102, Tamil Nadu
8. Nuclear Power Corporation of India Ltd. (NPCIL)
Kaiga Generating Station,
P.O. Kaiga, Via Karwar,
Karnataka-581400
9. Nuclear Power Corporation of India Ltd. (NPCIL)
Kudankulam Nuclear Power Project,
P.O. Kudankulam, Radhapuram Taluk,
District: Tirunelveli, Tamil Nadu-627106
10. Bharatiya Nabhikiya Vidyut Nigam Ltd. (BHAVINI),
Department of Atomic Energy,
Kalpakkam – 603102, District Kancheepuram,
Tamil Nadu
11. NTPC Tamil Nadu Energy Company Ltd. (NTECL),
JV of NTPC & TNEB,
G-Block, 123 & 123A, 12th Street,
Anna Nagar (East), Chennai – 600102
12. Meenakshi Energy Private Limited,
Meenakshi Plot 119,
Road No#10, Jubilee Hills,
Hyderabad – 500033
13. Simhapuri Energy Limited,
6-3-866/2, 3rd Floor, Begumpet,
Madhucon Green Lands,
Hyderabad – 500016



14. LANCO-Kondapalli Power Pvt. Ltd.
Plot No.4, Software Units Layout,
Hitech City, Madhapur,
Hyderabad-5000081

Users under the category of Distribution Licensees and Buyers

15. Andhra Pradesh Power Co-ordination Committee,
APTRANSCO,
Vidyut Soudha,
Hyderabad 500 082

16. Power Company of Karnataka Ltd,
Room No: 503, KPTCL Building,
Kaveri Bhavan,
Bangalore – 560 009, Karnataka

17. Kerala State Electricity Board
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram-695 004

18. Tamil Nadu Generation and Distribution Co. Ltd. (TANGEDCO)
7th Floor, Eastern Wing,
144, Anna Salai,
Chennai-600 002

19. Electricity Department,
Government of Puducherry
Puducherry-605 001

20. Electricity Department,
Division No.3, Government of Goa,
Curti-Ponda, Goa-403 401

...Respondents

Parties present:

For Petitioner: Shri S. S. Raju, PGCIL
Shri Zafrul Hasan, PGCIL
Shri A. K. Verma, PGCIL
Shri B. Dash, PGCIL
Shri V. P. Rastogi, PGCIL

For Respondent: None



ORDER

The present petition has been filed by the Petitioner, Power Grid Corporation of India Ltd. (PGCIL) for determination of Transmission tariff from COD to 31.3.2019 in respect of the following assets under “Fibre Optic Communication system in lieu of existing Unified Load Despatch and Communication (ULDC) Microwave links in Southern Region” (hereinafter referred as “the transmission project”) for 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”):

Asset-1: OPGW Fiber Links (98.484 Km) Hoody-Yelahanka LILO Point of Neelmangala-Hoody, Hoody-HSR (KPTCL), Peenya-NRS-Hebbal (KPTCL), Hoody-HAL (KPTCL), LILO of Pondy-Sriperambadur to SV Chatram (TANTRANSCO), LILO of Neyveli TS-11-Neyveli TS-1 to NNTPS, Salem (PG) – Salem (TNEB), Sriperumbudur (PG)-Sriperumbudur (TNEB); and

Asset-2: Salem PS (Dharmapuri) – Madhugiri (Tumkur) OPGW Link (246.197 Km)

2. The Petitioner has made the following prayers:

- “1) Approve the Transmission Tariff for the tariff block 2014-19 block for the assets covered under this petition.*
- 2) Allow tariff up to 90% of the Annual Fixed Charges in accordance with clause 7 (i) of Regulation 7 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for purpose of inclusion in the PoC charges.*
- 3) Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred/ projected to be incurred.*
- 4) Tariff may be allowed on the estimated completion cost, since few elements of the project are yet to be completed, the completion cost for the assets covered under instant Petition are within the overall project cost.*
- 5) Allow the Petitioner to approach the Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during period 2014-19.*



- 6) *Allow the Petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided under clause: 25 of the Tariff regulations, 2014.*
- 7) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 52 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, and other expenditure in relation to the filing of petition;*
- 8) *Allow the Petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 52 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.*
- 9) *Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2014-19 period, if any, from the respondents.*
- 10) *Allow the Petitioner to bill and recover GST on Transmission charges separately from the respondents. Further any taxes and duties including cess, etc. imposed by any statutory/Govt/municipal authorities shall be allowed to be recovered from the beneficiaries.*
- 11) *Allow the initial spare as procured in the current petition in full under Regulation 54 of the CERC (Terms and Condition of Tariff) Regulation, 2014, "Power to Relax".*
- 12) *Allow the Petitioner to bill Tariff from actual DOCO.*

And pass such other relief as the Commission deems fit and appropriate under the circumstances of the case and in the interest of justice."

Background

3. The Investment Approval (IA) for implementation of assets under the transmission project was accorded by Board of Directors of the Petitioner in its 272nd meeting dated 29.5.2012 vide Memorandum No. C/CP/FO-SR, dated 6.6.2012 with an estimated cost of ₹17416 lakh including IDC of ₹974 lakh based on February 2012 price level.

4. The Revised Cost Estimate (RCE) for the transmission project was accorded by Board of Directors of the Petitioner in its 347th meeting dated 8.12.2017 vide Memorandum No. C/CP/PA1718-12-0E-RCE005 dated 28.12.2017 with an



estimated cost of ₹19474 lakh including IDC of ₹1233 lakh based on June 2017 price level.

5. The transmission project was discussed and agreed in 17th SRPC meeting held on 12.8.2011. Subsequently, it was also discussed in 24th SRPC meeting held on 15.3.2014 and 25th SRPC meeting held on 26.7.2014.

6. The scope of work as per original Investment approval for the transmission project is as under:

- (i) Installation of
 - a) 5207 Km of OPGW fiber optic cable on existing/ new EHV transmission lines of POWERGRID/SEBs
 - b) 118 Nos. of Terminal equipment for communication based on Synchronous Digital Hierarchy (SDH) technology.
 - c) 90 Nos. of Multiplexers
 - d) 45 Nos. of DC Power supply and
 - e) 1 No. Network Management System (NMS)
- (ii) Sharing of 499 KM of OPGW Fibre under POWERGRID Telecom network.

7. The Petitioner submitted that POSOCO vide correspondences dated 4.5.2012 and 16.8.2012 requested for installation of reliable voice communication facilities (Hot Line Speech Communication Systems for Grid Operation) due to the problems faced due to expansion of power system in terms of increase in number of power plants, substations etc. that are reporting to RLDCs and SLDCs. Due to limited capacity and functionality it has not been possible to accommodate the speech requirement of all the power plants in the existing telephone exchanges. During the grid disturbances on 30.7.2012, the operators at control centres faced many problems in connecting the speech to other control centres and important stations due to non-availability of fast dialling, easy directory sorting and inter-



regional voice connectivity etc. which consequently affected the grid restoration process. In view of these requirements, approval for establishment of “Hot Line Speech Communication Systems for Grid Operation” as a part of ongoing ULDC projects was accorded on 31.08.2012.

8. Based on the above developments, the Petitioner revised scope of the transmission project and the Revised Cost Estimate (RCE) was approved by the Board of the Petitioner company. Accordingly, apportioned estimated cost for establishment of "Hot Line Speech Communication Systems for Grid Operation" in Southern region was considered in the Revised Cost estimates of the subject project. The revised scope of the transmission project as per RCE is as under:

- (i) Installation of
 1. 5256 Km of OPGW fibre optic cable on existing/ new EHV transmission lines of POWERGRID/SEBs
 2. 140 Nos. of Terminal equipment for communication based on Synchronous Digital Hierarchy (SDH) technology.
 3. 143 Nos. of Multiplexers
 4. 22 Nos. of DC Power supply and
 5. 3 Nos. Network Management System (NMS)
- (ii) Sharing of 2288 KM of OPGW Fibre under POWERGRID Telecom network.
- (iii) Hot line speech communication (Computer Dialling) system for Grid Operation under southern region.

9. The details of petitions filed by the Petitioner under the transmission project are as under:

S.N.	Asset	COD	Remarks
1	275.93 km OPGW fibre optic cable along with associated equipment.	1.4.2014 (Actual)	Covered under Petition No.
2	291.124 km OPGW fibre optic cable along with associated equipment (includes 88.63 Km under cost apportionment with POWERTEL).	1.7.2014 (Actual)	275/TT/2015 (Order dated 29.7.2016)



S.N.	Asset	COD	Remarks
3	1717.112 km OPGW fibre optic cable along with associated equipment for 400 kV Neyvelli TS-II - 400 kV Neyveli TS-I Extn, Tuticorin Pooling Station - Madurai S/S Madurai Sub LDC (TNEB) - Madurai 230 kV (TNEB) - Madurai (PG), 400 kV Pugalur (PG) - Trichy (TNEB) - Trichy (PG), 230 kV Tanjore (TNEB) - 400 kV Trichy (TNEB), 230 kV Thiruvaur (TNEB) - 230 kV Tanjore (TNEB), 400 kV Hassan (PG) - Neelmangala (KPTCL), 400 kV Narendra - Davengere, Kolar - Thiruvalem, Madurai - Trichy, Madurai - Tirunaveli, Tirunelveli - Trivandrum, Sriperumbudur - Kalivindapattu, Udumalpet - Arasur, Salem - Udumalpet, Nagapattinam - Trichy, Nagapattinam - Neyveli TS-I (includes 966.436 Km under cost apportionment with POWERTEL).	30.3.2015 (Actual)	Vide Order dated 29.7.2016 in Petition no. 275/TT/2015, the Commission directed the Petitioner to file a fresh petition for this asset. Covered under Petition No. 168/TT/2018 (Order dated 20.2.2019)
4	OPGW Communication Link for Nellore Pooling Station - 400 kV Nellore PG.	1.4.2013 (Actual)	Covered under Petition No. 168/TT/2018 (Order dated 20.2.2019)
5	OPGW Communication Link for 400 kV Raichur - 765 kV Raichur.	1.1.2014 (Actual)	
6	OPGW Communication Link for NELLORE POOLING STATION - TPCIL (Thermo Powertech Corporation India Ltd).	1.3.2014 (Actual)	
7	OPGW Communication Link for Kurnool (New) - Kurnool Substation	1.4.2014 (Actual)	
8	148 Km OPGW fibre optic cable along with associated equipments for 1) LILO of Nagarjuna Sagar - Gooty at Kurnool (PG) 2) 765kV Raichur - Kurnool (PG)	27.9.2014 (Actual)	
9	159 Km OPGW fibre optic cable along with associated equipments for 1) 400 kV Kadapa (PG) - Chittor (APTRANSCO) 2) 400kV Kadapa (PG) - Chinakampally (APTRANSCO)	1.10.2014 (Actual)	
10	956.599KM OPGW communication links along with associated Communication Equipment (includes 132.30Km under cost apportionment with POWERTEL) and EPABX systems (Hot Line Speech Communication Systems for Grid Operation)	31.3.2016 (Actual)	
11	OPGW links for Establishment of Fibre optic communications system for central sector stations Project of Southern Region - 1) 400 kV Nagarjuna Sagar(PG) - 400kV Mehboob Nagar 2) 400 kV Raichur (PG) - 400 kV Mehboob Nagar 3) Nellore PS - Gooty crossing point to Kadapa 4) 400 kV Simhadri (PG) - 400 kV Vemagiri (PG) 5) 220 kV Tallapally, APTRANSCO - 220 kV VTPS APTRANSCO 6) LILO of Simhadri - Vemagiri (PG) to Gajuwaka 7) 220 KV Gooty APTRANSCO - 400 KV Gooty (PG) 8) 220 kV Ghanapur TSTRANSCO - 400 KV Ghanapur PG 9) 220 kV Khammam APTRANSCO - 400 kV Khammam PG 10) 400 kV Vijayawada PG - 220 kV Vijayawada Sub-LDC 11) 400 kV N'Sagar PG- 220 KV Tallapally, APTRANSCO 12) 400 kV Khammam PG - 400 KV Vijayawada PG 13) 220 kV Vishakhapatnam VSS - 400 kV Gazuwaka PG 14) Ramagundam NTPC - Repeater-204 -Bhadrawati 15) 400 kV Ghanapur PG - Repeater-346 - Ramagundam NTPC.	1.8.2016 (Actual)	



S.N.	Asset	COD	Remarks
12	Kaiga (PG) - Narendra (PG), Kaiga (PG) - Gudur, 230 kV Kalpakkam (PG) -230 kV SP Koil (TNEB), NCTPS (TNEB) - Tondiapet (TNEB), Tuticorin pooling station - LILO point AP51, Mysore - Kozikode, Kalpakam - Siruchery, Thiruvarur - Neyveli, Neyveli TS-II - Neyveli TS-I (Ckt-II), Villianur - Bahour, Basthipura - Hootagally D/c Line, LILO of Pandy -Sriperambadur to SV Chatram	30.3.2017 (Actual)	Covered under Petition No. 168/TT/2018 (Order dated 20.2.2019)
13	OPGW Communication Link for 1) 400 kV Vijaywada (PG) - Vemagiri (APTRANSCO); 2) 400 kV LILO of Ramagundam - Khammam to Warangal; 3) 400 kV Ghanapur - Kurnool (APTRANSCO); 4) 220 kV KTPS - Khammam TSTRANSCO; 5) 400 kV Munirabad - Raichur; 6) 220 kV Hindupur - Gooty APTRANSCO and Telecom links under Fibre Sharing: 1) 400kV Nellore - Sriperambudur 2) 400kV Ramagundam - Warangal 3) 400 kV Nagarjunsagar - Gooty 4)400kV Vijaywada – Gajuwaka.	1.10.2017 (Actual)	
14	Asset-1: OPGW Fibre Links (98.484 km) Hoody-Yelahanka LILO Point of Nelamangala - Hoody, Hoody - HSR (KPTCL), Peenya – NRS -Hebbal (KPTCL), Hoody - HAL (KPTCL), LILO of Pandy - Sriperambadur to SV Chatram (TANTRANSCO, LILO of Neyveli TS-II - Neyveli TS-I to NNTPS, Salem (PG) – Salem (TNEB), Sriperambadur (PG) - Sriperambadur (TNEB)	28.3.2018 (Actual)	Covered under Current petition
15	Asset-2: Salem PS (Dharmapuri) – Madhugiri (Tumkur) OPGW Link (246.197 Kms.)	19.3.2019 (Actual)	

10. Accordingly, following assets are covered in the instant petition:

Asset	Asset Detail	SCOD	COD
Asset-1	OPGW Fibre Links (98.484 km) Hoody-Yelahanka LILO Point of Nelamangala - Hoody, Hoody - HSR (KPTCL), Peenya – NRS -Hebbal (KPTCL), Hoody - HAL (KPTCL), LILO of Pandy - Sriperambadur to SV Chatram (TANTRANSCO, LILO of Neyveli TS-II - Neyveli TS-I to NNTPS, Salem (PG) – Salem (TNEB), Sriperambadur (PG) - Sriperambadur (TNEB)	29.11.2014	28.3.2018 (Actual)
Asset-2	Salem PS (Dharmapuri) – Madhugiri (Tumkur) OPGW Link (246.197 Kms.)	28.11.2014	19.3.2019 (Actual)

11. The Petitioner has submitted that sharing of the instant OPGW link (instant assets) by Telecom is yet to be done.

12. The details of the Annual Transmission Charges claimed by the Petitioner are as under:



Particulars	Asset-1		Asset-2
	2017-18 (Pro-rata)	2018-19	2018-19 (Pro-rata)
Depreciation	0.35	38.39	1.46
Interest on Loan	0.29	31.22	1.18
Return on Equity	0.32	35.68	1.36
Interest on Working Capital	0.04	4.29	0.17
O&M Expenses	0.41	39.49	1.73
Total	1.41	149.07	5.90

13. The details of the Interest on Working Capital (IWC) claimed by the Petitioner are as under:

Particulars	Asset-1		Asset-2
	2017-18 (Pro-rata)	2018-19	2018-19 (Pro-rata)
Maintenance Spares	5.72	5.92	7.43
O&M Expenses	3.18	3.29	4.13
Receivables	21.88	24.85	28.14
Total	30.78	34.06	39.70
Rate of Interest (%)	12.60%	12.60%	12.20%
Interest on working Capital	0.04	4.29	0.17

14. The Petitioner has served a copy of the petition upon the respondents and notice of this tariff application has been published in newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the notices published by the Petitioner under Section 64 of the Electricity Act, 2003. None of the respondents have filed any reply in the matter.

15. The hearing in this matter was held on 29.6.2020 through video conference and the Commission reserved the order in the Petition.

16. This order is issued considering the submissions made by the Petitioner in the petition dated 11.9.2019 and reply submitted by the Petitioner *vide* affidavit dated 8.5.2020.



17. Having heard the representatives of the Petitioner present at the hearing and having perused the material on record, we proceed to dispose of the petition.

Date of Commercial Operation (COD)

18. The Petitioner has claimed the actual COD for the instant asset, as per the following details:

Asset	Claimed COD
Asset-1	28.3.2018 (actual)
Asset-2	19.3.2019 (actual)

19. In support of COD, the Petitioner has submitted RLDC Certificates dated 13.7.2018 and 27.3.2019 stating that the instant assets (communication link) have been in continuous service as per Regulation 4(4) of 2014 Tariff Regulations as on 28.3.2018 and 19.3.2019 in respect of Asset-1 and Asset-2, respectively. Further, the Petitioner has submitted COD letters dated 28.3.2018 and 19.3.2019 in respect of Asset-1 and Asset-2, respectively.

20. The Petitioner has submitted that the Communication System under ULDC projects comprising of Fibre Optic & Microwave systems was established for providing communication connectivity between Control Centres and from data concentrator nodes for handling large data volumes. The voltage for communication system operation is 24/48 Volt DC supply.

21. The Petitioner has submitted that as per provisions of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 (in short, "the CEA Safety Regulations"), minimum 650 V is required for inspection. Further, Central government has specified that the notified voltage for the purpose of self-certification under Regulations 30 and 43 of the CEA Safety Regulations is 11 KV. Accordingly, no inspection is required by CEA inspector up to 11 kV. Hence, the CEA clearance letter is not applicable in case of communication system.



22. The Petitioner has further submitted that the Commission vide order dated 27.1.2017 in Petition No. 53/TT/2015, has recorded in paragraph 9 that CMD's approval is required only when the asset in question is ready for commissioning and the corresponding upstream and downstream assets are not commissioned and not in the case of OPGW links like instant assets.

23. Accordingly, taking into consideration the RLDC Certificate and COD letter of the Petitioner, the COD for instant assets is approved as under:

Asset	Claimed COD
Asset-1	28.3.2018 (actual)
Asset-2	19.3.2019 (actual)

Capital Cost

24. Clauses (1) and (2) of Regulation 9 of the 2014 Tariff Regulations provide as follows:

“(1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects”

(2) The Capital Cost of a new project shall include the following:

(a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;

(b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;

(c) Increase in cost in contract packages as approved by the Commission;

(d) Interest during construction and incidental expenditure during construction as computed in accordance with Regulation 11 of these regulations;

(e) Capitalised Initial spares subject to the ceiling rates specified in Regulation 13 of these regulations;

(f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with Regulation 14 of these regulations;

(g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the COD as specified under Regulation 18 of these regulations; and

(h) Adjustment of any revenue earned by the transmission licensee by using the assets before COD.”



25. The Petitioner has claimed the following capital cost incurred as on COD and additional capitalisation projected to be incurred in respect of the instant assets and submitted Auditor's Certificates in support of the same:

(₹ in lakh)

Asset	AppORTIONED Approved Cost (FR)	AppORTIONED Approved Cost (RCE)	Expenditure up to COD	Actual/ Projected Exp. for FY			Estimated Completion Cost
				2017-18	2018-19	2019-20	
Asset-1	1226.73	892.54	524.80	0.00	178.62	105.06	808.48
Asset-2	519.80	703.48	679.60	-	0.00	17.93	697.53

Cost Over-run

26. The Petitioner has submitted that the estimated completion cost of instant assets is within the appORTIONED approved cost as per RCE. The Petitioner has submitted detailed item-wise variation between FR cost and actual cost in Form-5.

27. We have considered the submissions of the Petitioner and noted that against the total appORTIONED approved cost as per RCE in respect of assets covered under the instant petition as mentioned in the table of paragraph 24 above, the estimated completed cost including additional capitalization is within the appORTIONED approved cost as per RCE.

Time over-run

28. As per the Investment Approval dated 29.5.2012, the project was scheduled to be commissioned within 30 months of the date of Investment Approval. Accordingly, the scheduled commercial operation date of the Project comes to 29.11.2014 against which Asset-1 and Asset-2 have been put under commercial operation with effect from 28.3.2018 and 19.3.2019 respectively. Thus, there is a delay of 1215 days and 1571 days in commissioning of Asset-1 and Asset-2 respectively.



29. The Petitioner has submitted that the time over-run is mainly on account of delays in providing the permissions for work front by constituents for OPGW stringing on State sector lines. The Petitioner has submitted the following details to substantiate its claim:

Asset-1

a) Major delay in implementation of the OPGW Link of Hoody-Yelahanka (LILO Point of Neelmangala-Hoody) is attributable to the delay in commissioning of the LILO of 400 kV S/C Neelmangala-Hoody Transmission Line at new 400/220 kV GIS Substation at Yelahanka due to severe RoW issues and Court cases. The Petitioner has submitted detailed chronology of events which led to the delay in construction of 400 kV S/C Neelmangala-Hoody Transmission Line between 8.11.2011 to 22.3.2018. LILO of Neelmangala-Hoody at Yelahanka S/S has been charged on 22.3.2018 and subsequently the subject OPGW link got commissioned on 28.3.2018. Documents for the time overrun in commissioning of the LILO has already been submitted in Petition No. 361/TT/2018 under SRSS XII.

b) OPGW stringing on Hoody-HSR was completed except 3 spans in the area of KPTO office on 18.4.2016 for want of KPTCL communication to the private companies. OPGW stringing was completed on Hoody-Neelmangala LILO point to Hoody except the sections, near the pole structure towers. The executing agency requested for shutdown as it was not possible to carry out stringing under live line. The shutdown request was put in 2 OCC meetings. However, KPTCL concurrence was not received up to 18.4.2016. Similarly, OPGW stringing on Peenya-Hebbal-NRS was attempted but was not allowed by KPTCL. PGCIL vide letter dated 18.4.2016 informed the above issues to KPTCL and requested to arrange the permission to resume the balance works and instruct the concerned for extending necessary support and coordination to complete the project at the earliest.

c) As of June 2016, out of the total OPGW stringing work entrusted to the Petitioner, only 44 km was pending due to above mentioned issues on KPTCL lines. The successful completion of stringing in other lines was made possible due to vigorous follow up with KPTCL. It is generally difficult to arrange



stringing gangs once they are demobilized. The gangs were remobilized after meeting with the Chief Engineers LD in April, 2019, to resume stringing works but the permission for start of work was not received from KPTCL. The Petitioner *vide* letter dated 9.6.2016 again requested KPTCL to instruct the concerned to arrange the necessary permission to resume the stringing immediately.

d) OPGW stringing of Peenya-Hebbal line was pending due to delay in permission to carry out the work. The Petitioner *vide* letter dated 4.10.2016 proposed to start the work from 6.10.2016 and requested for permission to carry out OPGW stringing on Peenya-Hebbal line.

e) OPGW Stringing on 220 kV Hoody–HSR KPTCL line was completed in March 2017 itself after a lot of struggle in getting approval from KPTCL. After completion of splicing and installation of approach cable and FODP at either ends and during final checking, it was noticed that OPGW cable in 4 spans in the subject line had been removed and replaced with normal earth wire. Upon enquiry, it was found that due to re-routing of the subject line, changes were done by KPTCL. The Petitioner was not approached or consulted before removal of about 1.2 km OPGW cable causing both time and cost implications. Accordingly, the Petitioner *vide* letter dated 4.5.2017 requested KPTCL to avoid this situation in future.

f) The Petitioner completed 0.58 km OFC laying from Hebbal tower towards Peenya for the underground cable portion of Peenya–Hebbal 220 kV line. The remaining 0.55 km was under Fisheries Research and Information Centre, Hebbal premises. The Petitioner deposited the required amount along with request for permission to take up work with the Fisheries Research and Information Centre on 22.9.2017. Also, in Hoody-HAL line of KPTCL, some portion of the line was to be laid underground which was inside the premises of Fisheries department and residential colonies, requiring further permission.

g) The Petitioner took up the above issues, which were causing delay, in the 30th SRPC held on 27.8.2016, wherein the Petitioner informed the Members that OPGW stringing was completed on Kolar-Hoody and Mysore-Hootagalli lines; was partially completed in Hoody-LILO of Neelmangala-Hoody to Yelahanka and Hoody-HSR lines; and stringing was yet to start on the



balance lines. After the stringing on NRS-Peenya-Hebbal was taken up after due confirmation, KPTCL instructed to suspend OPGW stringing on all the lines. The Petitioner was advised by KPTCL to wait for one month. The Petitioner pursued with KPTCL continuously for resuming the stringing to complete the project. In spite of continuous follow up at all levels, The Petitioner did not receive any communication from KPTCL to commence stringing.

Asset-2

The majority of the facilities; viz., OPGW links along with associated communication equipment under the transmission project were already commissioned. However, the commissioning of subject OPGW link, Salem PS – Madhugiri, was held up due to delay in completion of the 765 kV Salem – Madhugiri S/c line which was delayed because of severe RoW issues and court cases in the State of Karnataka. Detailed chronology of events has been submitted to justify the factors which led to the delay in construction of 765 kV S/C Dharmapuri- Madhugiri line between 17.10.2012 to 27.10.2018. Details of ROW and Court cases are as under:

Right of Way (ROW) issues

a) The construction activities in Kolar, Bangalore Rural and Tumkur districts of Karnataka were held up between October 2012 to August 2014 due to resistance by the land owners and Karnataka Raita Sangha, who were demanding advance ex-gratia payment for tower footings and line corridor. Various meetings were held with higher level officials of administration and Police at district and State level. Looking into the deadlock, the Deputy Commissioners of Tumkur, Kolar and Bangalore Rural issued orders dated 8.7.2014, 2.8.2014 and 8.8.2014 respectively, for ex-gratia payment to the land owners for land under the corridor and tower footing for early commissioning of the transmission line.

b) However, the corridor compensation can be released to the land owners only after completion of revenue survey, submission of reports, approval of revenue authorities, identification of land owners and collection of documents etc.



c) Revenue survey and identification of land owners over the length of the line i.e. 154.5 km (approx. 3250 acres) is not only tedious but also involves coordination between Government Departments like Revenue and Registration. Matter was taken up with State administration for expeditious completion of revenue survey works. However, due to non-availability of sufficient number of revenue surveyors, work in the transmission line was affected. The same was deliberated at various meetings held at the level of Minister (Power) and Secretary (Power). Even PMO through PRAGATI (Pro Active Governance and timely intervention) meeting.

d) Due to increased resistance from land owners for installation of transmission lines across the country and specifically in Karnataka, Ministry of Power (MoP) constituted a Committee to analyse the RoW issues for laying of transmission lines in the country and to suggest a uniform methodology for payment of compensation on this count. Subsequently, MoP constituted a committee with representatives from various State Government and others.

e) Although compensation orders were issued by respective Deputy Commissioners for resolving the RoW issues, land owners instigated by Raitha Sangha obstructed the construction activities at different locations demanding enhanced compensation for corridor. Works could not proceed without police protection. On 20.4.2017, landowners under Raitha Sangha staged Dharna in front of regional office of the Petitioner demanding 100% of compensation for tower footing and 55% of land value under corridor and also demanding payment at market rate. In several instances, officials of the Petitioner, staff of executing agency and labour were manhandled and attacked. Details along with copy of FIR filed in this regard are provided with the Petition.

f) Various correspondences made by the Petitioner with the Deputy Commissioners (DC) of Bengaluru Rural, Tumkur and Chikkaballapur and State Government officials are tabulated as under:

S.N.	Date of Letter	To	Remarks
1	20.10.2012	DC, Bengaluru Rural District	To clear the obstructions in Bangalore Rural district
2	10.10.2013	DC, Bengaluru Rural District	To resolve the right of way issue
3	3.1.2014	DC, Tumkur	To resolve the right of way issue in



S.N.	Date of Letter	To	Remarks
			Tumkur District
4	18.9.2014	DC, Chikkaballapur	To clear the obstructions in Chikkaballapur District
5	5.12.2013	Chief Secretary, Karnataka	Support of State Government to complete the transmission lines in Karnataka
6	20.12.2013	MD, KPTCL	Seeking his intervention for resolving the ROW issues.
7	20.12.2013	Principal Secretary (Energy), Govt. of Karnataka	Support of State Government to complete the transmission lines in Karnataka
8	5.2.2014	Sri D.K. Shiva Kumar, Hon'ble Minister of Energy, Karnataka	Support of State Government to complete the ongoing transmission lines in Karnataka
9	28.12.2013	Copy of proceedings of meetings conducted by Principal Secretary, Govt. of Karnataka at Gulbarga regarding ROW	
10	3.1.2014	Copy of proceedings of meetings conducted by Principal Secretary, Govt. of Karnataka at Bengaluru regarding ROW	

Court cases and Court orders

a) Location no. 41/4 (Tamil Nadu): A writ petition was filed by the land owner, Sh. K. G. Sunder Raj in the Hon'ble High Court of Tamil Nadu *vide* writ petition no. 29184/2012 dated 17.9.2012 regarding restraining the Petitioner for not erecting the towers in his property. Hon'ble High Court, *vide* order dated 5.2.2013, directed the Petitioner to approach the District Collector, Krishnagiri. The case was heard in the Court of District Collector, Krishnagiri, wherein the Court upheld the petition in the favour of the Petitioner *vide* order dated 31.5.2014. However, Sh. K. G. Sunder Raj again filed case in Hon'ble High Court *vide* writ petition no. 16312/2014 challenging the order dated 31.5.2014 issued by District Collector, Krishnagiri. Subsequent to several hearings, the Hon'ble High Court of Tamil Nadu issued order dated 8.12.2015 in favour of the Petitioner.

b) Location no. 95/1 N (Tamil Nadu): The casting of foundation was objected by the land owner Sh. Muniraju. The Petitioner requested District Collector, Krishnagiri *vide* letter dated 6.7.2013, to remove obstruction. The case is under hearing as Sh. Muniraju claims that he owns only half acre of



agricultural land and is from the weaker section. District Collector, Krishnagiri is yet to dispose the petition.

c) Location no. 42/3 (Tamil Nadu): Land owners approached Principle Civil Judge and JMFC, Sidlaghatta to issue stay orders for construction of line in the land which is under ownership dispute in the same court *vide* case no: OS No: 156/2016. Court *vide* order dated 20.3.2017 stayed the construction. After hearing both the parties, Court vacated the stay order on 16.2.2018 based on undertaking submitted by the Petitioner for depositing the compensation amount in the court. The same was deposited in the court on 28.2.2018. Hence, the delay in completion of the line under this section is not attributable to the Petitioner.

d) Location no. 49C/0 (Karnataka): A writ petition no. 47930/2012 was filed by the land owner, Sh. Aravamuthan K. V. in Hon'ble High Court of Karnataka, seeking change in the route alignment of transmission line. The Hon'ble High Court disposed the matter on 18.2.2013 and directed the concerned District Magistrate to settle the case.

e) Locations 48/0 to 48/1 (line corridor) (Karnataka): The land owners of these locations, Sh. B.K. Vinod Kumar and Sh. Vinayaka Vidya Samste filed writ petition nos. 13596 – 13597/2014 in the Hon'ble High Court of Karnataka, seeking change in the route alignment. Hon'ble High court disposed the case on 24.6.2014 and directed the concerned District Magistrate to settle the case. The case is in the court of Deputy Commissioner, Bengaluru Rural district.

30. The associated line, 765 kV Salem PS – Madhugiri S/c line, was completed & commissioned on 1.11.2018 and OPGW stringing was completed along with line stringing. Subsequently, splicing of OPGW works were undertaken and during splicing, several RoW issues were encountered which were resolved, and eventually OPGW link between Salem PS and Madhugiri established and put under commercial operation w.e.f. 19.3.2019.

31. The Petitioner has already submitted the details of the time over run in commissioning of the associated transmission line, 765 kV Salem – Madhugiri S/c



line, along with all the relevant documents mentioned above in Petition No. 367/TT/2018 under “Common System Associated with Coastal Energen Private Limited & Ind-Bharat Power (Madras) Limited LTOA Generation Projects in Tuticorin Area- Part-B in Southern Region”.

32. The Commission vide ROP of the hearing dated 13.2.2020, directed the Petitioner to submit details of time overrun and chronology of activities along with documentary evidence as per format. In response, the Petitioner vide affidavit dated 8.5.2020 submitted the details of time over-run and chronology of activities along with documentary evidence as per the format given below:

Asset-1

Activity	Period of Activity				Time overrun	Reason(s) for time overrun
	Planned		Achieved			
	From	To	From	To		
LOA	5.7.2012	5.7.2012	27.8.2012	27.8.2012		same as submitted in petition/ affidavit dated 8.5.2020 as brought out above
Supplies	7.2.2013	5.8.2014	30.3.2013	12.10.2014		
Installation	8.4.2013	9.10.2014	1.6.2013	9.12.2017		
SAT	6.8.2013	10.11.2014	25.3.2014	10.1.2018		
Delay on part of permission for work front by constituents for OPGW stringing on state sector lines						
ROW issues						
Court cases/ Order						
Testing & COD	8.9.2013	28.11.2014	-	28.3.2018		

Asset-2

Activity	Period of Activity				Time overrun	Reason(s) for time overrun
	Planned		Achieved			
	From	To	From	To		
LOA	5.7.2012	5.7.2012	27.8.2012	27.8.2012		same as submitted in petition/ affidavit dated 8.5.2020 as brought out above
Supplies	7.2.2013	5.8.2014	30.3.2013	12.10.2014		
Installation	8.4.2013	9.10.2014	1.6.2013	30.7.2018		
SAT	6.8.2013	10.11.2014	25.3.2014	25.9.2018		
Delay on part of permission for work front by constituents for OPGW stringing on state sector lines						
ROW issues						
Court cases/ Order						
Testing & COD	8.9.2013	28.11.2014	-	19.3.2019		



33. We have considered the submissions of the Petitioner and perused the documents available on records. As per the Investment Approval (IA) dated 29.5.2012, the scheduled commissioning date of the assets under transmission project was 30 months. Accordingly, the scheduled commercial operation date of the instant assets was 29.11.2014 against which Asset-1 and Asset-2 were put into commercial operation on 28.3.2018 and 19.3.2019 with a delay of about 1215 days and 1571 days respectively.

34. Asset-1, comprises of the following 8 OPGW links of 98.484 km in the associated transmission lines:

- 1) Hoody-Yelahanka LILO Point of Neelmangala–Hoody: 38.40 km
- 2) Hoody-HSR (KPTCL): 15.5 km
- 3) Peenya–NRS-Hebbal (KPTCL): 24.90 km
- 4) Hoody-HAL (KPTCL): 6.08 km
- 5) LILO of Pondy-Sriperumbudur to SV Chatram (TANTRANSCO)
- 6) LILO of Neyveli TS-II - Neyveli TS-I to NNTPS
- 7) Salem (PG) – Salem (TNEB)
- 8) Sriperumbudur (PG) -Sriperumbudur (TNEB)

35. The OPGW link wise analysis of time overrun is as follows:

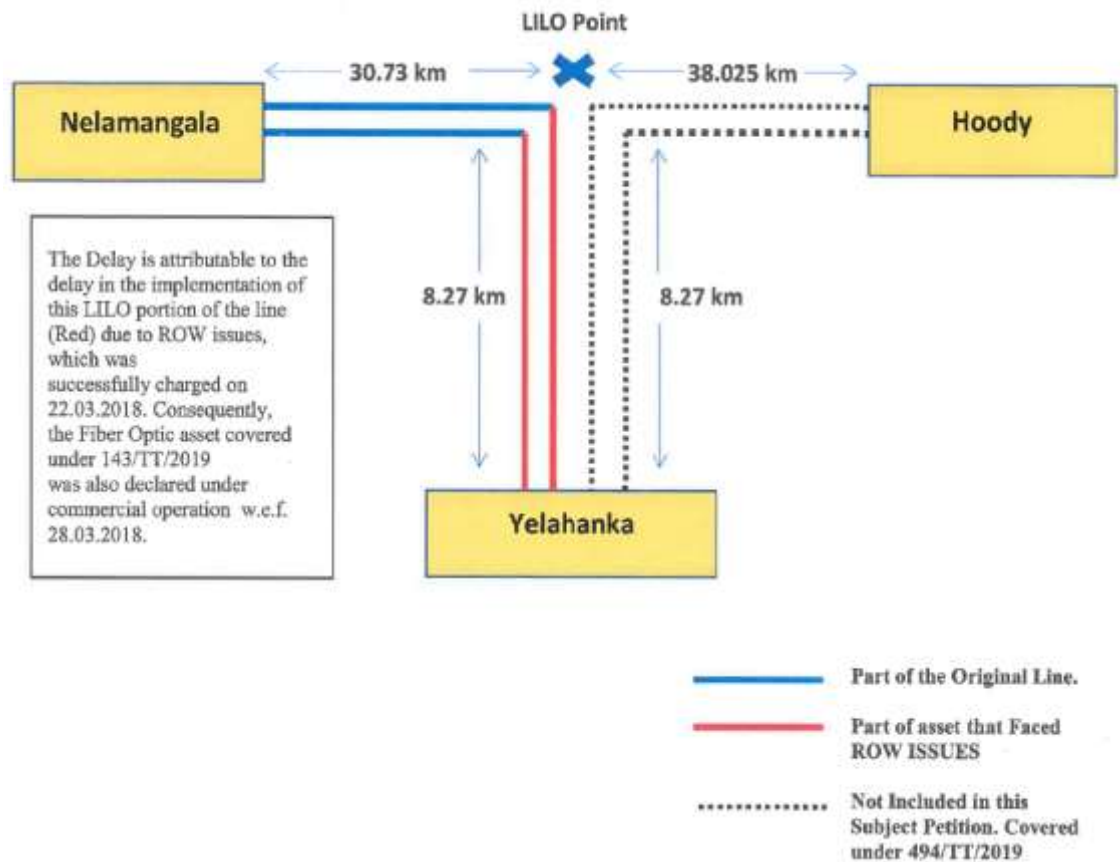
1) Hoody-Yelahanka LILO Point of Neelmangala–Hoody (38.40 km):

36. The Petitioner has submitted that the Commission has already condoned the delay for LILO of 400 kV S/C Neelamangla-Hoody Line at Yelahanka 400/220 kV Yelahanka sub-station vide order dated 8.11.2019 in Petition no. 361/TT/2018. It has requested that in view of this, the time over-run in case of Asset-1 may be condoned.

37. We have considered the submissions of the Petitioner. We note that the Petitioner has attributed the time over-run in case of Asset-1 is due to delay of LILO of Nelamangala-Hoody Transmission Line at Yelahanka Sub-station. The relevant



single line diagram of the LILO of Nelamangala-Hoody Transmission Line at Yelahanka Sub-station is as follows:



38. From the above diagram, it is observed that the petitioner has not able to commission the OPGW link of Nelamangala-Hoody Transmission Line without commissioning of LILO at Yelahanka. The commission vide order dated 8.11.2019 in petition no 361/TT/2018 has condoned the delay of LILO portion of the line due to RoW problems. The relevant extracts of the order dated 8.11.2019 in petition no 361/TT/2018 is as follows:

“35. The Petitioner has also submitted extensive details of correspondences with various authorities alongwith supporting documents. From the submission, ROW issues from 23.12.2011 to 21.2.2018 (2252 days) at various locations affected the commissioning of the instant assets. The time over run of 2252 days on account of ROW problems was beyond the control of the petitioner. However, the Petitioner has compressed the execution time and commissioned the instant assets with overall delay of 2106 days. Therefore, the overall time over run of 2106 days in commissioning of Asset-1, Asset-2A and Asset-2B is condoned.”

In view of the above, we are inclined to condone the time delay of 1215 days in Commissioning of the OPGW link i.e. LILO of Nelamangala-Hoody Transmission Line. The petitioner has combined the eight (8) no. of OPGW links under Asset-I and the link wise capital cost is not available, therefore the petitioner is directed to submit the Capital cost of the OPGW link i.e. LILO of Nelamangala-Hoody Transmission Line separately at the time of truing up.

2) Hoody-HSR (KPTCL15.5 KM), 3) Peenya-NRS-Hebbal (KPTCL 24.90 KM) and 4) Hoody- HAL(KPTCL 6.08 KM) :

39. The Petitioner has submitted that it had completed OPGW stringing of Hoody-HSR except 3 spans in the area of KPTO office on 18.4.2016. The Petitioner has submitted that carrying out live line stringing is not possible without getting shutdown of the line under the control of KPTCL and that the Petitioner has not been able to get shutdown upto 18.4.2016. The Petitioner has submitted that for Peenya-NRS-Bebbal (KPTCL) OPGW link (length of about 24.90 km) and Hoody-HAL OPGW link (length of about 6.08 km), it has attempted to complete stringing but KPTCL has not allowed installing OPGW on these links.

40. The petitioner has submitted that the delay is due to grant of shutdown by the constituents for OPGW stringing on State sector lines. We have perused the copy of the letters dated 18.4.2016, 9.6.2016, 4.10.2016, 4.5.2017 written by the Petitioner to KPTCL, submitted by the Petitioner in support of its contention that there was delay in grant of shutdown by constituents. It is observed that the first letter submitted by the Petitioner is dated 18.4.2016, which is much after the scheduled COD of 29.11.2014. The Petitioner has not sufficiently explained the reasons for delay from the date of Investment Approval to 18.4.2016 when it issued the first letter. Though there is a passing reference in letter dated 18.4.2016 that shutdown request was made in two OCC meetings, the Petitioner has not submitted any



documents in support of its claim. The Petitioner has submitted the details of the letters written by it to the constituents. . The Petitioner has submitted letters dated 29.8.2017, 13.9.2017 and 22.9.2017 regarding laying of under-ground OFC for 550 meters of the Peenya-Hebbal link in the premises of Fisheries Research and Information Centre, Hebbal. The Petitioner has not submitted any documents as regards refusal of permission/ grant of shutdown by the constituents for laying the remaining links. It is also observed that as per the submissions of the Petitioner itself, there were many coordination issues and operational issues. Therefore, we are not inclined to condone the time delay of Hoody-HSR (KPTCL 15.5 km),Peenya–NRS-Hebbal (KPTCL 24.90 km);,Hoody-HAL (KPTCL6.08 km). The petitioner has not submitted capital cost of these OPGW links separately and the petitioner is directed to submit the capital cost of these three OPGW links separately at the time of truing up.

5) LILO of Pondy-Sriperumbudur to SV Chatram (TANTRANSCO), 6) LILO of Neyveli TS-II-Neyveli TS-I to NNTPS, 7) Salem (PG)-Salem(TNEB) 8) Sriperumbudur (PG)-Sriperumbudur (TNEB).

41. The Asset-I also consists of OPGW links associated with Tamil Nadu which are LILO of Pondy-Sriperambudur to SV chatram, LILO of Neyveli TS II- Neyveli TS-1 to NNTPS, Salem(PG)-Salem (TNEB), Sriperambudur(PG)- Sriperambudur (TNEB) which constitute about 13.609 km. The Petitioner has not submitted any reasons for delay of these OPGW links and also not submitted any documentary evidence in support of the same. Therefore, the time delay of these links associated with TANTRANSCO is not beyond the control of the Petitioner and the same cannot be condoned. Contention of the Petitioner that delay in the LILO of Nelamangala-Hoody Transmission Line led to time over-run of Asset-1 is relevant only for one link of Asset-1 and remaining seven links remain unaffected.



42. With respect to Asset-1, the Petitioner has not submitted link wise capital cost details due to which it is not able to deal the IDC/IEDC for the time over run condoned /not condoned. Accordingly the IDC/IEDC claimed by the petitioner in the instant asset has not been considered. The petitioner is directed to submit the link wise IDC/IEDC details at the time of truing up and the same will be reviewed at the time of truing up. Based on above deliberations, the OPGW link wise time overrun condoned /not condoned is as follows:

Name of the OPGW link	Total time overrun	Time overrun condoned	Time overrun not condoned
1) Hoody-Yelahanka LILO Point of Neelmangala-Hoody: 38.40 km	1215 days	1215 days	-
2) Hoody-HSR (KPTCL): 15.5 km	1215 days	-	1215 days
3) Peenya-NRS-Hebbal (KPTCL): 24.90 km	1215 days	-	1215 days
4) Hoody-HAL (KPTCL): 6.08 km	1215 days	-	1215 days
5) LILO of Pondy-Sriperumbudur to SV Chatram (TANTRANSCO)	1215 days	-	1215 days



6)	LILO of Neyveli TS-II - Neyveli TS-I to NNTPS	1215 days	-	1215 days
7)	Salem (PG) – Salem (TNEB)	1215 days	-	1215 days
8)	Sriperumbudur (PG) - Sriperumbudur (TNEB)	1215 days	-	1215 days

Asset-2:

43. The Petitioner has attributed the time over-run in case of Asset-2 to severe RoW issues and court cases in the State of Karnataka with respect to associated transmission line. The Petitioner has submitted detailed justification and chronology of events which led to the delay in construction of the associated line i.e., 765 kV Salem PS (Dharamapuri)-Madhugiri S/C line, between 17.10.2012 to 27.10.2018. The associated line was delayed and achieved COD on 1.11.2018. The OPGW stringing was also completed along with line stringing. Subsequently, splicing of OPGW works were undertaken and during splicing, RoW issues were encountered which were resolved, and eventually OPGW link between Salem PS-Madhugiri was established and Asset-2 was put into commercial operation on 19.3.2019.

44. The Commission vide order dated 1.11.2019 in petition no. 367/TT/2018 has held as under:

“33. We have considered the submissions of Petitioner and Respondent. The instant asset has been put into commercial operation on 1.11.2018 with a time delay of 49 months 17 days (1507 days). As per the submissions of petitioner the instant asset was delayed due to Right of way (ROW) problems at various locations in construction of transmission line and filing of court cases pertaining to construction of transmission line.



34. The Petitioner has submitted the details of events in chronological order in respect of RoW issues at various locations in its petition. RoW problems continued till 27.10.2018. The Petitioner has submitted that from 17.10.2012 to 13.7.2018 the petitioner was compelled to deal with the issues of Right of Way and compensation of land owners.

35. The Petitioner has submitted extensive details of correspondences exchanged with various Authorities alongwith supporting documents. From the submission, it is clear that RoW issues from 17.10.2012 to 27.10.2018 (2201 days) at various locations affected the work of the instant asset. The time over run of 2201 days on account of RoW problems was beyond the control of the Petitioner and this delayed the schedule commissioning of the asset. However, the Petitioner has compressed the execution time and commissioned the instant asset with overall delay of 1507 days. Therefore, the overall time over run of 1507 days in commissioning of Asset-1 is condoned.”

45. Accordingly, the delay in Asset-2 is examined in two parts: (a) delay from SCOD and upto 1.11.2018 (COD of the associated line) of about 1433 days; and (b) delay beyond 1.11.2018 (i.e. COD of associated line) and up to 19.3.2019 (i.e. COD of instant Asset-2) of about 138 days. The commissioning of OPGW is dependent on the commissioning of the associated line. In this case, the associated line itself was put into commercial use on 1.11.2018. The Commission has already condoned the delay of associated line up to 1.11.2018 vide order dated 1.11.2019 in Petition No. 367/TT/2018. Therefore, delay of Asset-2 up to 1.11.2018 was beyond the control of the Petitioner. Therefore, the time over-run of instant Asset-2 of 1433 days up to 1.11.2018, is condoned. However, the Petitioner should have completed the OPGW along with the transmission line of Asset-2 along with the commissioning of associated line and its communication system. Therefore, we are not condoning the time over-run of 138 days beyond COD of associated line.

46. In view of the above deliberations, the time overrun condoned/ not condoned in respect of instant Asset-1 and Asset-2 is summarised below:

S.N.	Asset	Total Time overrun	Time over-run condoned	Time over-run Not condoned
1	Asset-1*	1215 days	0 days	1215 days
2	Asset-2	1571 days	1433 days	138 days



*As mentioned in Para 36, petitioner is directed to submit the Capital cost of the OPGW link pertaining to LILO of Nelamangala-Hoody Transmission Line separately at the time of truing up.

Interest During Construction (IDC)

47. The Petitioner has claimed Interest During Construction (IDC) for Asset-1 and Asset-2 and submitted Auditor Certificates in support of the same. The Petitioner has submitted computation of IDC along with the year-wise details of the IDC discharged.

48. IDC has been allowed considering the information submitted by the Petitioner for the individual asset separately on cash basis. The loan details submitted in Form-9C for the 2014-19 tariff period and the IDC computation sheet have been considered for the purpose of IDC calculation on cash and accrued basis. The undischarged IDC as on COD has been considered as ACE during the year in which it has been discharged. Accordingly, IDC considered is as under:-

(₹ in lakh)

Asset	IDC as per Auditor certificate	IDC Admissible	IDC disallowed due to Time overrun not condoned	IDC Discharged as on COD	IDC Undischarged as on COD	IDC Discharged	
						2018-19	2019-20
A	B	C	D=B-C	E	F=C-E		
Asset-1	36.66	0.00	36.66	0.00	0.00	0.00	0.00
Asset-2	60.04	45.93	14.11	38.71	7.22	0.00	7.22

Incidental Expenditure During Construction (IEDC)

49. The Petitioner has claimed IEDC for Asset-1 and Asset-2 and submitted Auditor Certificates in support of the same. The Petitioner has submitted that entire amount of IEDC mentioned in the auditor certificate is on cash basis and is paid up to COD. IEDC claimed is within the percentage of hard cost (including contingency)



as indicated in the abstract cost. Accordingly, IEDC claimed and allowed is tabulated below which shall be reviewed at the time of truing up exercise:-

Asset	IEDC as per Auditor certificate	IEDC Admissible	IDC disallowed due to Time overrun not condoned
A	B	C	D=B-C
Asset-1	27.87	11.96	15.91
Asset-2	55.41	52.33	3.08

50. IEDC allowed for the instant asset will be reconsidered in the light of the directions of Appellate Tribunal for Electricity (APTEL) in judgment dated 2.12.2019 in Appeal No. 95 of 2018 and Appeal No.140 of 2018, at the time of truing up. The Petitioner is directed to furnish the IEDC details of all the assets of the instant transmission project at the time of true-up of capital cost.

Initial Spares

51. The Petitioner has not claimed initial spares for instant assets.

Capital cost as on COD

52. Accordingly, the capital cost allowed as on COD under Regulation 9(2) of the 2014 Tariff Regulations is summarized as under:

Asset	Capital Cost as on COD as per Auditor Certificate	Less: IDC disallowed as on COD due to		Less: IEDC disallowed due to Time overrun not condoned	Capital Cost considered as on COD
		Time overrun not condoned	Un-discharged		
		1	2		
Asset-1	524.80	36.66	0.00	15.91	472.23
Asset-2	679.60	14.11	7.22	3.08	655.19

Additional Capital Expenditure (ACE)

53. Clause (1) of Regulation 14 of the 2014 Tariff Regulations provides as under:



“(1) The capital expenditure in respect of the new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

(i) Undischarged liabilities recognised to be payable at a future date;

(ii) Works deferred for execution;

(iii) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 13;

(iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and

(v) Change in Law or compliance of any existing law:

Provided that the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution shall be submitted along with the application for determination of tariff.”

54. Clause (13) of Regulation 3 of the 2014 Tariff Regulations defines “cut-off” date as under:

“cut-off date” means 31st March of the year closing after two years of the year of commercial operation of whole or part of the project, and in case the whole or part of the project is declared under commercial operation in the last quarter of the year, the cut-off date shall be 31st March of the year closing after three years of the year of commercial operation”

55. The Petitioner has claimed following additional capitalisation for instant assets for 2014-19 tariff period and submitted Auditor’s Certificates in support of the same:

Asset	Additional Capital Expenditure in FY		
	2017-18	2018-19	2019-20
1	0.00	178.62	105.06
2	0.00	0.00	17.93

56. The Petitioner has submitted that the additional Capitalization incurred/ projected to be incurred in the contextual assets is mainly on account of Balance/ Retention Payments.

57. We have considered the submissions made by the Petitioner. As per Clause (13) of Regulation 3 of the 2014 Tariff Regulations, the “cut-off” date for Asset-1 and Asset-2 is 31.3.2021 and 31.3.2022, respectively. The projected ACE claimed



beyond 2018-19 has not been taken into consideration and the same shall be dealt during the next tariff period as per the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.

58. Accordingly, the allowed Additional Capital Expenditure is summarized below which is subject to true up:

(₹ in lakh)

Particulars	Regulation	Asset-1		Asset-2
		2017-18	2018-19	2018-19
ACE to the extent of Balance & Retention Payment	14 (1)(i)	0.00	178.62	0.00

Capital cost for the tariff period 2014-19

59. Accordingly, the capital cost considered for the tariff period 2014-19, subject to true up, is as follows:

(₹ in lakh)

Asset	Capital Cost allowed as on COD	ACE allowed in 2018-19	Capital cost allowed as on 31.3.2019
Asset-1	472.23	178.62	650.85
Asset-2	655.19	0.00	655.19

60. Based on the above, Tariff in respect of instant assets in the respective years of 2014-19 tariff period is determined in subsequent paragraphs and the details of number of days considered for this purpose as are as under:

Asset	COD	2017-18	2018-19
Asset-1	28.3.2018	COD to 31.3.2018 (4 days)	365 days
Asset-2	19.3.2019	-	COD to 31.3.2019 (13 days)

Debt-Equity Ratio

61. Clauses 1 and 5 of Regulation 19 of the 2014 Tariff Regulations specify as follows:



“(1) For a project declared under commercial operation on or after 1.4.2014, the debt-equity ratio would be considered as 70:30 as on COD. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that:

i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:

ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:

iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt : equity ratio.

Explanation.-The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.”

“(5) Any expenditure incurred or projected to be incurred on or after 1.4.2014 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this regulation.”

62. The Petitioner has considered debt-equity ratio of 70:30 as on COD and for ACE post COD for Asset-1 and Asset-2. The debt-equity ratio has been considered for capital cost as on COD and ACE during the 2014-19 tariff period as provided under Regulation 19 of the 2014 Tariff Regulations. The same has been summarised as under:-

Particulars	Asset-1				Asset-2			
	Capital Cost as on COD		Capital Cost as on 31.3.2019		Capital Cost as on COD		Capital Cost as on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	330.56	70.00	455.60	70.00	458.63	70.00	458.63	70.00
Equity	141.67	30.00	195.26	30.00	196.56	30.00	196.56	30.00
Total	472.23	100.00	650.85	100.00	655.19	100.00	655.19	100.00

Return on Equity (ROE)

63. Clauses (1) and (2) of Regulation 24 and Clause (2) of Regulation 25 of the 2014 Tariff Regulations specify as under:

“**24. Return on Equity:** (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 19.



(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating stations, transmission system including communication system and run of the river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run of river generating station with pondage:

Provided that:

(i) in case of projects commissioned on or after 1st April, 2014, an additional return of 0.50 % shall be allowed, if such projects are completed within the timeline specified in **Appendix-I**:

(ii) the additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for reasons whatsoever:

(iii) additional RoE of 0.50% may be allowed if any element of the transmission project is completed within the specified timeline and it is certified by the Regional Power Committee/National Power Committee that commissioning of the particular element will benefit the system operation in the regional/national grid:

(iv) the rate of return of a new project shall be reduced by 1% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO)/ Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system:

(v) as and when any of the above requirements are found lacking in a generating station based on the report submitted by the respective RLDC, RoE shall be reduced by 1% for the period for which the deficiency continues:

(vi) additional RoE shall not be admissible for transmission line having length of less than 50 kilometers.

“25. Tax on Return on Equity:

(1) The base rate of return on equity as allowed by the Commission under Regulation 24 shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax income on other income stream (i.e., income of non-generation or non-transmission business, as the case may be) shall not be considered for the calculation of “effective tax rate”.

(2) Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

Where “t” is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.”

64. The Petitioner has claimed ROE at the rate of 19.610% after grossing up ROE with MAT rate of 20.96% for the FY 2017-18 and FY 2018-19 respectively. The



Petitioner has further submitted that the grossed-up ROE is subject to truing up based on the effective tax rate of respective financial year applicable to the Petitioner Company.

65. Regulation 24 read with Regulation 25 of the 2014 Tariff Regulations provides for grossing up of return on equity with the effective tax rate for the purpose of return on equity. It further provides that in case the generating company or transmission licensee is paying Minimum Alternative Tax (MAT), the MAT rate including surcharge and cess will be considered for the grossing up of return on equity. Accordingly, the MAT rate of 21.3416% and 21.5488%, applicable during 2017-18 and 2018-19, respectively has been considered for the purpose of return on equity, which shall be trued up with actual tax rate in accordance with Regulation 25(3) of the 2014 Tariff Regulations.

66. Accordingly, ROE allowed is as follows:

Particulars	(₹ in lakh)		
	Asset-1		Asset-2
	2017-18 (4 days)	2018-19	2018-19 (13 days)
Net Opening Equity	141.67	141.67	196.56
Increase in Equity due to addition during the year	0.00	53.59	0.00
Closing Equity	141.67	195.26	196.56
Average Equity	141.67	168.46	196.56
Return on Equity (Base Rate) (%)	15.50	15.50	15.50
Tax Rate applicable (%)	21.342	21.549	21.549
Applicable ROE Rate (%)	19.705	19.758	19.758
Return on Equity for the year	0.31	33.29	1.38

Interest on Loan (IOL)

67. Regulation 26 of the 2014 Tariff Regulations are provides as under:

“(1) The loans arrived at in the manner indicated in regulation 19 shall be considered as gross normative loan for calculation of interest on loan.

“(2) The normative loan outstanding as on 1.4.2014 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2014 from the gross normative loan.



(3) The repayment for each of the year of the tariff period 2014-19 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of decapitalisation of such asset.

(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.”

68. The Petitioner has submitted that IOL has been claimed on the basis of rate prevailing as on COD and the change in interest due to floating rate of interest applicable, if any, needs to be claimed/ adjusted over the tariff block 2014-19. We have calculated IOL on the basis of rate prevailing as on the date of commercial operation. Any change in rate of interest subsequent to the date of commercial operation will be considered at the time of truing-up. IOL is allowed considering all the loans submitted in Form-9C. The Petitioner is directed to reconcile the total Gross Loan for the calculation of weighted average Rate of Interest and for the calculation of IDC, which would be reviewed at the time of truing-up. IOL has been calculated as per the provisions of Regulation 26 of the 2014 Tariff Regulations as detailed below:

- (i) Gross amount of loan, repayment of instalments and rate of interest on actual loans have been considered as per petition including additional information.*
- (ii) The yearly repayment for the tariff period 2014-19 has been considered to be equal to the depreciation allowed for that year.*



(iii) Weighted average rate of interest on actual average loan worked out as per (i) above is applied on the notional average loan during the year to arrive at the interest on loan.

69. The details of IoL allowed for the instant transmission asset are as follows:-

Particulars	(₹ in lakh)		
	Asset-1		Asset-2
	2017-18 (4 days)	2018-19	2018-19 (13 days)
Gross Normative Loan	330.56	330.56	458.63
Cumulative Repayment up to previous Year	0.00	0.33	0.00
Net Loan-Opening	330.56	330.24	458.63
Addition due to ACE	0.00	125.03	0.00
Repayment during the year	0.33	35.55	1.48
Net Loan-Closing	330.24	419.72	457.15
Average Loan	330.40	374.98	457.89
Weighted Average Rate of Interest on Loan (%)	7.65	7.71	7.33
Interest on Loan	0.28	28.90	1.20

Depreciation

70. Regulation 27 of the 2014 Tariff Regulations with regard to depreciation specifies as follows:

"27. Depreciation:

(1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system including communication system or element thereof. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units or elements thereof.

Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which single tariff needs to be determined.

(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of transmission system, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

(3) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that in case of hydro generating station, the salvage value shall be as provided in the agreement signed by the developers with the State Government for development of the Plant:



Provided further that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:

Provided also that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

4) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-II to these regulations for the assets of the generating station and transmission system:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

(6) In case of the existing projects, the balance depreciable value as on 1.4.2014 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.3.2014 from the gross depreciable value of the assets.”

71. Depreciation has been dealt with in line of Regulation 27 of 2014 Tariff Regulations. The Asset-1 and Asset-2 were put under commercial operation during 2017-18 and 2018-19, respectively. Accordingly, they will complete 12 years beyond the tariff period 2014-19. The Gross Block during 2017-18 and 2018-19 has been depreciated at weighted average rate of depreciation (WAROD) (as placed in Annexure-1). WAROD has been worked out after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations and depreciation allowed during 2017-18 and 2018-19 is as under:

Particulars	(₹ in lakh)		
	Asset-1 2017-18 (4 days)	Asset-1 2018-19	Asset-2 19-2018 (13 days)
Opening Gross Block	472.23	472.23	655.19
Additional Capitalisation	0.00	178.62	0.00
Closing Gross Block	472.23	650.85	655.19
Average Gross Block	472.23	561.54	655.19
Value of Freehold Land included above	0.00	0.00	0.00
Aggregated Depreciable Value	425.01	505.39	589.67
Remaining Aggregate Depreciable Value at the beginning of the year	425.01	505.06	589.67
No. of completed years at the beginning of the year	0	0	0
Balance useful life of the asset at the	15	15	15



Particulars	Asset-1		Asset-2
	2017-18 (4 days)	2018-19	19-2018 (13 days)
beginning of the year			
Weighted Average Rate of Depreciation (WAROD) (%)	6.3300	6.3300	6.3300
Combined Depreciation during the Year	0.33	35.55	1.48
Cumulative Depreciation at the end of the year	0.33	35.87	1.48

Operation and Maintenance Expenses (O&M Expenses)

72. The Petitioner has claimed the O&M expenses for instant assets in the respective tariff Form-1, as per following details:

Asset	Particulars	₹ in lakh)	
		2017-18	2018-19
Asset-1	O&M Expenses	0.41	39.49
Asset-2	O&M Expenses	-	1.73

73. Petitioner has submitted that in the above calculation, O&M for the Central Portion has been considered as 7.5% of the Capital Cost which will be subject to actual expenditure every year at the time of truing up. The wage revision of the employees of the Petitioner company is due and actual impact of wage hike which will be effective from a future date has also not been factored in fixation of the normative O&M rates prescribed for the tariff block 2014-19. The scheme of wage revision applicable to CPSUs being binding on the Petitioner, the Petitioner reserves the right to approach the Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during 2014-19.

74. We have considered the submissions made by the Petitioner. The Petitioner has submitted contradictory statements regarding O&M claim in the petition. On one hand, the Petitioner has submitted that actual O&M have been claimed for 2017-18 and 2018-19 and copy of the Auditor's Certificate is enclosed. On the other hand, the Petitioner has submitted that in the above calculation, O&M for the Central

Portion has been considered as 7.5% of the Capital Cost, which will be subject to actual expenditure every year at the time of truing up.

75. We observe that the said Auditor Certificate for O&M expenditure of 2017-18 and 2018-19, said to be submitted along with the petition, is not available in the petition and the Petitioner appears to have claimed O&M expenses @7.5% of capital cost as on COD. Thus, no O&M expenses have been allowed for the instant assets. Petitioner is directed to submit the actual O&M expenses at the time of truing up and the same will be reviewed at the time of truing up of the instant petition for 2014-19 tariff period.

Interest on Working Capital (IWC)

76. Clause 1(c) of Regulation 28 and Clause 5 of Regulation 3 of the 2014 Tariff Regulations specify as follows:

“28. Interest on Working Capital

(1) The working capital shall cover:

(c) Hydro generating station including pumped storage hydro electric generating station and transmission system including communication system:

(i) Receivables equivalent to two months of fixed cost;

(ii) Maintenance spares @ 15% of operation and maintenance expenses specified in regulation 29; and

(iii) Operation and maintenance expenses for one month”

(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2014 or as on 1st April of the year during the tariff period 2014-15 to 2018-19 in which the generating station or a unit thereof or the 72 transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later.

“(5) ‘Bank Rate’ means the base rate of interest as specified by the State Bank of India from time to time or any replacement thereof for the time being in effect plus 350 basis points;”

77. As per the 2014 Tariff Regulations, the components of the working capital and the interest thereon are discussed hereinafter:

a) Maintenance spares:



Maintenance spares @ 15% of Operation and maintenance expenses specified in Regulation 29.

b) O & M expenses:

Operation and maintenance expenses have been considered for one month of the O&M expenses.

c) Receivables:

The receivables have been worked out on the basis of 2 months of annual fixed cost as worked out above.

d) Rate of interest on working capital:

As per Clause 28 (3) of the 2014 Tariff Regulations, SBI Base Rate as on 1.4.2017 (9.10%) plus 350 bps i.e. 12.60% and SBI Base Rate as on 1.4.2018 (8.70%) plus 350 bps i.e. 12.20% has been considered as the rate of interest on working capital.

78. Accordingly, the interest on working capital is summarized as under:

Particulars	Asset-1		Asset-2
	2017-18 (4 days)	2018-19	2018-19 (13 days)
Maintenance Spares	0.00	0.00	0.00
O&M Expenses	0.00	0.00	0.00
Receivables	14.14	16.64	19.38
Total	14.14	16.64	19.38
Rate of Interest (%)	12.60	12.60	12.20
Interest on working Capital	0.02	2.10	0.08

Annual Transmission charges

79. Accordingly, the annual transmission charges being allowed for the instant assets are as under:

Particulars	Asset-1		Asset-2
	2017-18 (4 days)	2018-19	2018-19 (13 days)
Depreciation	0.33	35.55	1.48
Interest on Loan	0.28	28.90	1.20
Return on Equity	0.31	33.29	1.38
Interest on Working Capital	0.02	2.10	0.08
O&M Expenses	0.00	0.00	0.00
Total	0.93	99.83	4.14



Filing fee and the publication expenses

80. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses in terms of Regulation 52 of the 2014 Tariff Regulations. The Petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with clause (1) of Regulation 52 of the 2014 Tariff Regulations.

License fee and RLDC Fees and Charges

81. The Petitioner has prayed to allow the Petitioner to bill and recover License fee and RLDC fees and charges, separately from the respondents. We are of the view that the Petitioner shall be entitled for reimbursement of license fee and RLDC fees and charges in accordance with Clause (2)(b) and (2)(a) of Regulation 52 in the 2014 Tariff Regulations.

Goods and Services Tax

82. The Petitioner has prayed for reimbursement of tax, if any, on account of implementation of GST. GST is not levied on transmission service at present and we are of the view that Petitioner's prayer is premature.

Sharing of Transmission Charges

83. The Petitioner has submitted that the tariff for transmission (communication system) of electricity (Annual Fixed Cost) shall be shared as per Regulation 43 of the 2014 Tariff Regulations. These charges shall be recovered on monthly basis and the billing, collection and disbursement of transmission charges shall be governed



by provision of the CERC (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010.

84. The Commission vide RoP for hearing dated 13.2.2020 observed that in respect of the instant assets, the Petitioner has submitted that sharing of the instant OPGW link by telecom is yet to be done. Accordingly, the Petitioner was directed to furnish the reason as to why the sharing has not been carried out as well as to provide the present status of sharing. The Commission further directed the Petitioner to clarify whether all the fibres will be used for the utility's own data and voice communication or some dark fibres (spares) are also available which may be leased or sold to third parties to serve as high speed fibre inter-connection between two points.

85. In response, the Petitioner vide affidavit dated 8.5.2020 submitted that 24 fibre OPGW based communication system is the lowest techno-economically feasible OPGW system currently in use. It has been installed mainly on existing transmission lines to provide a reliable wide band communication system for catering data and voice requirement as well as new technological requirements such as Special Protection Schemes, WAMS, fibre redundancy (ring formation main plus standby), PMU, Advanced Protection System, Substation Automation for new/upcoming substation/ generation stations and control centres. The Petitioner has further submitted that out of 24 fibre in a OPGW link, 6 are being used for ULDC requirement and remaining 18 fibre/ dark fibre are for future use based on technical requirement which can be used by constituents/ sharing by telecom as per requirement (if any).

86. The Commission vide RoP for hearing dated 13.2.2020 had also directed the Petitioner to submit whether the provisions of Central Electricity Regulatory



Commission (Sharing of revenue derived from utilization of transmission assets for other business) Regulations, 2007 were considered to arrive at the tariff claimed for the instant assets especially on the manner of sharing of revenue, reduction in transmission charges and maintenance of accounts.

87. In response, the Petitioner vide affidavit dated 8.5.2020 has submitted a generalised reply and submitted that the above-mentioned provisions as applicable from time to time have been (for provisions relevant to instant case)/ shall be (as the case may be) complied with by the Petitioner under various situations/ contingencies.

88. We have considered the submission of the Petitioner. With regard to sharing of transmission charges in respect of the assets of the subject project which have already been commissioned and covered under Petition No. 168/TT/2018, the Commission has held as under:

“31. Sharing of Transmission Charges

(i) XXXXXXXXXXXXX

(ii) *In response to the ROP query, the petitioner vide affidavit dated 15.11.2018 has submitted that sharing of Fiber Optic cable with Telecom in case of Asset 4, 5, 6, 7 and 8. As per Revenue Sharing Regulation, 2007 separately consolidated revenue being shared @ Rs 3000/ per year per km of Right of Way utilized for laying optical fiber links and used for telecom purpose, which is shared with beneficiary on half year basis. The asset wise details of No. of fibres installed and No. of fibres meant for telecom business in an OPGW link not available, but the petitioner has mentioned only the actual commission length of OPGW links and the length of OPGW Links shared for telecom business which are summarized below.....*

(iii) *We have considered the submissions of the petitioner. The billing, collection and disbursement of the transmission charges approved shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of InterState Transmission Charges and Losses) Regulations, 2010, as amended from time to time, as provided in Regulation 43 of the 2014 Tariff Regulations.”*

89. Accordingly, billing, collection and disbursement of the transmission charges approved shall be governed by provisions of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses)



Regulations, 2010, as amended from time to time, as provided in Regulation 43 of the 2014 Tariff Regulations.

90. This order disposes of Petition No. 494/TT/2019.

Sd/
(Arun Goyal)
Member

Sd/
(I. S. Jha)
Member

Sd/
(P. K. Pujari)
Chairperson



**DETAILS OF WEIGHTED AVERAGE RATE OF DEPRECIATION (WAROD)
FOR THE 2014-19 TARIFF PERIOD
Asset-1**

Asset-1 (2014-19) Capital Expenditure	Admitted Capital Cost as on COD	Projected Additional Capitalisation during tariff period 2014-19	Admitted Capital Cost as on 31.3.2019	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations	
					2017-18	2018-19
PLCC	472.23	178.62	650.85	6.33%	29.89	35.55
Total	472.23	178.62	650.85	Total	29.89	35.55
Average Gross Block (₹ in lakh)					472.23	561.54
Weighted Average Rate of Depreciation (WAROD)					6.3300%	6.3300%



ANNEXURE-1

**DETAILS OF WEIGHTED AVERAGE RATE OF DEPRECIATION (WAROD)
FOR THE 2014-19 TARIFF PERIOD
Asset-2**

Asset-2 (2014-19)	Admitted Capital Cost as on COD	Projected Additional Capitalisation during tariff period 2014-19	Admitted Capital Cost as on 31.3.2019	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations
Capital Expenditure					2018-19
PLCC	655.19	0.00	655.19	6.33%	41.47
Total	655.19	0.00	655.19	Total	41.47
Average Gross Block (₹ in lakh)					655.19
Weighted Average Rate of Depreciation (WAROD)					6.3300%

