

CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi

Petition No. 53/TT/2015

Coram:

Shri P. K. Pujari, Chairperson
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member

Date of Order : 04.09.2021

In the matter of:

Truing up of transmission tariff of the 2009-14 period and determination of transmission tariff of the 2014-19 period of the Transmission System associated with Kudankulam Atomic Power Project in Southern Region (SR)

And in the matter of:

Power Grid Corporation of India Limited,
SAUDAMINI, Plot No.-2, Sector-29,
Gurgaon-122001 (Haryana)

....Petitioner

Versus

1. Karnataka Power Transmission Corporation Limited,
Kaveri Bhawan, Bangalore – 560009
2. Transmission Corporation of Andhra Pradesh Limited,
Vidyut Soudha, Hyderabad- 500082
3. Kerala State Electricity Board,
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram - 695 004
4. Tamil Nadu Generation and Distribution Corporation Limited,
NPKRR Maaligai, 800, Anna Salai, Chennai - 600 002
5. Electricity Department,
Government of Pondicherry,
Pondicherry – 605001
6. Eastern Power Distribution Company of Andhra Pradesh Limited,
P&T Colony, Seethmmadhara, Vishakhapatnam,
Andhra Pradesh



7. Southern Power Distribution Company of Andhra Pradesh Limited,
Srinivasasa Kalyana Mandapam Backside,
Tiruchanoor Road, Kesavayana Gunta, Tirupati-517 501,
Chittoor District, Andhra Pradesh
8. Central Power Distribution Company of Andhra Pradesh Limited,
Corporate Office, Mint Compound,
Hyderabad - 500 063, Andhra Pradesh
9. Northern Power Distribution Company of Andhra Pradesh Limited,
Opp. NIT Petrol Pump, Chaitanyapuri, Kazipet,
Warangal - 506 004, Andhra Pradesh.
10. Bangalore Electricity Supply Company Limited,
Corporate Office, K.R. Circle,
Bangalore - 560001, Karnataka
11. Gulbarga Electricity Supply Company Limited,
Station Main Road, Gulbarga, Karnataka
12. Hubli Electricity Supply Company Limited,
Navanagar, PB Road, Hubli, Karnataka
13. MESCOM Corporate Office,
Paradigm Plaza, AB Shetty Circle,
Mangalore – 575001, Karnataka
14. Chamundeswari Electricity Supply Corporation Limited,
927, L J Avenue, Ground Floor, New Kantharaj Urs Road,
Saraswathipuram, Mysore - 570 009, Karnataka
15. Electricity Department,
Government of Goa, Vidyut Bhawan,
Panaji, Ner Mandvi Hotel, Goa - 403 001

....Respondents

For Petitioner: Ms. Swapna Seshadri, Advocate, PGCIL
Shri Aditya H. Dubey, Advocate, PGCIL
Shri S. S. Raju, PGCIL
Shri D. K. Biswal, PGCIL
Shri A. K. Verma, PGCIL
Shri Ved Prakash Rastogi, PGCIL

For Respondents: Shri S. Vallinyagam, Advocate, TANGEDCO
Dr. R. Kathiravan, TANGEDCO
Shri R. Ramalakshmi, TANGEDCO
Shri R. Srinivasan, TANGEDCO



ORDER

Power Grid Corporation of India Ltd. (PGCIL) had filed the instant petition for truing up of transmission tariff for 2009-14 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as ‘the 2009 Tariff Regulations’) and determination of transmission tariff of 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (2014 Tariff Regulations) for Transmission System associated with Kudankulam Atomic Power Project in Southern Region (hereinafter referred to as “the transmission system”).

2. The Commission vide order dated 21.4.2016 in Petition No. 53/TT/2015 had trued-up the tariff of 18 transmission assets covered under the transmission system for the 2009-14 tariff period and determined the transmission tariff for the 2014-19 tariff period. The Commission in order dated 21.4.2016 had restricted the initial spares in respect of Asset-6 (Kudankulam-Tirunelveli 400 kV D/C line) and Asset-11 (Tirunelveli-Edamon 400 kV D/C line (initially to be operated at 220 kV) with associated bays and equipment at Tirunelveli and Edamon (KSEB) to their respective capital cost as per the norms specified in the 2009 Tariff Regulations. The relevant portion of the order dated 21.4.2016 is as follows:

“20. We have considered the submission of TANGEDCO and KSEB. The petitioner has claimed the initial spares more than the norms specified in the 2009 Tariff Regulations in case of Assets 6 and 11. It is observed that the petitioner has computed the initial spares based on the overall cost of the assets. We have re-worked the initial spares based on the capital cost of individual asset and the same is depicted below:-

Xxxx

Xxxx

21. The initial spares claimed by the petitioner for all the transmission assets except Asset-6 and Asset-11 are within the normative limit. Accordingly, the capital cost as on COD allowed after deducting the excess initial spares and considered for computation of tariff are as follows:-

Xxxx



Xxxx”

3. PGCIL filed Petition No. 35/RP/2016 seeking review of the order dated 21.4.2016 contending that restriction of initial spares on the basis of the capital cost of the individual assets is contrary to Regulation 8 of the 2009 Tariff Regulations and it was an error apparent on the face of record and required rectification.

4. The Commission rejected Petition No. 35/RP/2016 vide order dated 7.9.2016. The relevant portion of the order dated 7.9.2016 is as follows:

“13. As regards the review petitioner’s contention that initial spares was allowed as a percentage of total project cost in order dated 25.4.2013 in Petition No. 33/TT/2011, it is observed that the Commission in order dated 28.5.2012 in Petition No.136/TT/2011 restricted the capital cost to the apportioned cost of the individual assets for computation of tariff. The review petitioner filed an appeal before the Hon’ble Appellate Tribunal for Electricity. The Tribunal upheld the Commission’s order of 28.5.2011 by its judgement dated 28.11.2013 in Appeal No. 165 of 2012. As stated earlier, the Commission has adopted the said decision of the Tribunal in all subsequent applicable matters. The order relied upon by the review petitioner was issued prior to the judgement of the Tribunal. The issue raised by the review petitioner stands settled by the above judgement of the Tribunal; as such we are not inclined to accept the contention of the review petitioner.

14. In view of the above discussion, we do not find any error in computing initial spares of Assets 6 and 11 as a percentage of the approved apportioned cost. Accordingly, the review petition is not admitted.”

5. PGCIL filed Appeal No. 74 of 2017 before APTEL against the order dated 7.9.2016 in Petition No. 35/RP/2016. APTEL, vide judgment dated 14.9.2019, observed that the initial spares may be restricted initially based on the capital cost of the individual asset but subsequently ought to have been allowed as per the norms, on the basis of the overall project cost at the time of truing-up and accordingly remitted back the matter to the Commission. The relevant portion of APTEL judgment dated 14.9.2019 is as follows:

“The matter is remitted back to the Central Electricity Regulatory Commission with a direction to allow initial spares as a percentage of total project cost in accordance with the tariff regulations.”



6. Accordingly, the matter was called out for virtual hearing on 31.8.2021 in pursuance of the directions of the APTEL in judgment dated 14.9.2019 in Appeal No. 74 of 2017.

7. Learned counsel for PGCIL submitted that the principle laid down by APTEL regarding computation of initial spares in judgment dated 14.9.2019 has already been implemented by the Commission in the case of PGCIL. She prayed to close the instant proceedings on remand with the observation that the APTEL's findings in respect of the instant transmission system will be given effect at the stage of truing up of the tariff of the 2014-19 tariff period. She further submitted that petition for truing up of the tariff of the 2014-19 period and for determination of tariff of 2019-24 tariff period for the transmission assets covered in the transmission system will be filed.

8. Learned counsel for TANGEDCO submitted that the Petitioner should not raise, as submitted by the learned counsel for the Petitioner, any other issue other than the disallowed initial spares in respect of Asset-6 and Asset-11 of the transmission system in the true up petition to be filed by the Petitioner.

9. We have heard the learned counsel for PGCIL and TANGEDCO. Initial spares allowed for the various transmission assets of the Petitioner have been revised on the basis of overall project cost, wherever the individual assets have been combined and overall project cost has been arrived at, as per the principle laid down by APTEL in judgment dated 14.9.2019 in Appeal No. 74 of 2017 while truing up the tariff of 2014-19 tariff period.

10. This order disposes of the remanded back Petition No. 53/TT/2015 in terms of the above discussions and findings.

sd/-
(Pravas Kumar Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(P. K. Pujari)
Chairperson

