

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
New Delhi**

**Petition No. 112/TT/2021**

- Subject** : Petition for determination of transmission tariff from COD to 31.3.2024 for Asset-1: 400 kV D/C Hiriyur-Mysore transmission line along with associated bays and 2X80 MVAR switchable line reactors along with associated bays at 400/220 kV Mysore Sub-station, Asset-2: 1X500 MVA 400/220 kV ICTs along with associated bays at Tumkur (Pavagada) Sub-station, Asset-3: 1X125 MVA 400 kV Bus Reactor along with associated bays at Tumkur (Pavagada) Pooling Sub-station and Asset-4: 1X500 MVA 400/220 kV ICT along with associated bays and equipment at Tumkur (Vasantnarsapur) Sub-station under Transmission System for Ultra Mega Solar Power Park at Tumkur (Pavagada), Karnataka - Phase II (Part A).
- Date of Hearing** : 1.8.2022
- Coram** : Shri I. S. Jha, Member  
Shri Arun Goyal, Member  
Shri P.K. Singh, Member
- Petitioner** : Power Grid Corporation of India Ltd. (PGCIL)
- Respondents** : Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO) and 18 others
- Parties Present** : Shri S. Vallinyagam, Advocate, TANGEDCO  
Shri S.S. Raju, PGCIL  
Shri D.K. Biswal, PGCIL  
Shri V.P. Rastogi, PGCIL  
Shri A.K. Verma, PGCIL  
Dr. R. Kathiravan, TANGEDCO  
Shri R. Ramalakshmi, TANGEDCO  
Shri R Srinivasan, TANGEDCO  
Shri R. Kumutha, TANGEDCO

**Record of Proceedings**

Case was called out for virtual hearing.

2. The representative of the Petitioner has made the following submissions:

- a. The instant petition is filed for the determination of transmission tariff from COD to 31.3.2024 for Asset-1: 400 kV D/C Hiriyur-Mysore Transmission Line along with associated bays and 2X80 MVAR switchable line reactors along with associated bays at 400/220 kV Mysore Sub-station; Asset-2: 1X500 MVA 400/220 kV ICTs along with associated bays at Tumkur (Pavagada) Sub-station; Asset-3: 1X125 MVA 400 kV Bus Reactor along with associated bays at Tumkur (Pavagada)



Pooling Sub-station and Asset-4: 1X500 MVA 400/220 kV ICT along with associated bays and equipment at Tumkur (Vasantnarsapur) Sub-station under Transmission system for Ultra Mega Solar Power Park at Tumkur (Pavgada), Karnataka - Phase II (Part A).

- b. The Investment Approval of the project was accorded by Board of Directors of the Petitioner's Company vide Memorandum Ref.: C/CP/PA 1617-10-0Q-IA-025 dated 11.11.2016, at an estimated cost of ₹40846.00 lakh including IDC of ₹1760.00 lakh, price level June, 2016. Further, Revised cost estimate (RCE) of the project was accorded by Board of Directors of the Petitioner's Company vide Memorandum Ref.: PA1920-11-0Z-RCE006 dated 10.2.2020, at an estimated cost of ₹48264 lakh including IDC of ₹ 2626.00 lakh, price level September, 2019.
- c. MOP vide letter dated 8.1.2015 intimated the Petitioner for taking up of transmission system for evacuation of power from 9 solar generating parks to be set up in 7-states along with pooling stations as ISTS schemes which includes Tumkur (PAVGADA) UMSP on compressed time schedule.
- d. The Commission had accorded regulatory approval, under Regulation 3 of the Regulatory Approval, for execution of subject transmission system vide order dated: 19.8.2016 in Petition No: 36/MP/2016 with IA. No:9/IA/2016 and addition & modification in the scope of work for execution of transmission scheme for Phase-II vide order dated 7.9.2017 in Petition No. 131/MP/2017 with IA No.38/IA/2017.
- e. The scope of the scheme was discussed and agreed in 39<sup>th</sup> & 40<sup>th</sup> meeting of Standing Committee on Power System Planning in SR held on 28.12.2015-29.12.2015 & 19.11.2016 respectively. Further, the transmission scheme was also agreed in 29<sup>th</sup> Meeting of SRPC held on 5.3.2016 and 30<sup>th</sup> SRPC meeting on 27.8.2016.
- f. During the 40<sup>th</sup> meeting of Standing Committee on Power System Planning, it was decided that instead of earlier approved 16 nos. of 220 kV line bays, 8 nos. of 220 kV line bays at Tumkur (Pavagada) for inter-connection to be erected. Further, for Hiriyur-Mysore 400 kV D/C line-one ckt decided to be routed via Hiriyur and another ckt to be bypassed at Hiriyur and to connect with Tumkur-Hiriyur ckt.
- g. There is time over-run in case of all the transmission assets covered in the instant petition. The quantum of time over-run is as follows:

Asset No	SCOD	Actual COD	Time Over-run
Asset-1	10.2.2019	1.5.2020	14 months 21 days
Asset-2		28.4.2019	2 months 18 days
Asset-3		3.6.2019	3 months 24 days
Asset-4		17.6.2019	4 months 7 days

- h. With regard to LTA operationalization, 600 MW LTA was made operational from 12.7.2018, additional 400 MW from 28.9.2018 and 200 MW from 30.12.2019. Balance LTA of 850 MW was made operational upon COD of Hiriyur-Mysore 400 kV D/C line from 3.5.2020.
- i. The detailed reasons for time over-run have been submitted along with the petition. The time over-run in case of Asset-2, 3 and 4 was due to demonetization in 2016



and implementation of GST in 2017, which affected the supply chain of the materials.

- j. Received a grant of ₹4000.00 lakh, the asset wise details have been submitted in the petition. The remaining ₹4000.00 lakh of the total grant has been received on 22.10.2021 and the same will be adjusted in the Additional Capital Expenditure (ACE) in the year 2021-22 and 2022-23 during true up.
- k. The reply of Technical Validation letter has been submitted vide affidavit dated 12.11.2021, wherein the party wise ACE details and the commissioning of the generation plants have been provided. Further, reply has been submitted vide affidavit dated 25.11.2021 which captures the grant status.
- l. The reply to TANGEDCO's reply has been filed vide affidavit dated 7.12.2021.

3. The learned counsel for TANGEDCO has made the following submissions:

- a. The time over-run in case of Asset-I has been attributed to RoW issues and landowners demanding enhanced compensation. These are controllable factors as per the 2019 Tariff Regulations.
- b. The time over-run in case of Asset-2, Asset-3 and Asset-4 has been attributed to delay in supply of ICT by the contractor, demonetization and implementation of GST.
- c. Any delay by the contractor should be dealt as per the supply agreement, which has liquidated damages clause along with indemnity clause. Further, any delay by the contractor falls under controllable factor as per Regulation 22(1)(b) of the 2019 Tariff Regulations.
- d. Demonetization must not have such huge impact on the Petitioner or the contractor as all payments are being done by online mode. Further, no documentary evidence has been furnished in this regard.
- e. GST is primarily related to the manufacturer of the ICT or the equipment, therefore cannot have any material impact on the implementation schedule. Therefore, these reasons are not valid for the time over-run. If these delays are to be considered, then the compensation should be collected from the supplier or the relevant vendors as per the contract.
- f. Delay due to similar reasons has not been condoned in the Petition No. 34/TT/2019
- g. The IDC cost has increased by ₹357.00 lakh due to time over-run. As per Regulation 21(3), the Petitioner should submit the details of phasing of funds, or liquidated damages recovered or recoverable due to time over-run. However, the Petitioner has not submitted any details in this regard.
- h. As regards cost over-run, the Petitioner has not submitted the initial assessment of the compensation amount and subsequent increase in the compensation.
- i. The Petitioner has also submitted that cost over-run is due to increase tower steel consumption for laying down the network in the urban areas of Tirupur and Coimbatore. However, the solar park is in Karnataka, therefore the claim seems to be incorrect.



- j. The increase in the cost of the conductor has been attributed to the rate discovered through competitive bidding process. However, no documentary evidence has been submitted by the Petitioner.
  - k. The increase in IDC and IEDC cost is due to delay in implementation of the project by the Petitioner.
  - l. The transmission charges for the period of delay in commissioning of solar power generators should be paid by the generators in accordance with the relevant Regulations.
4. After hearing the parties, the Commission reserved the order in the matter.

**By order of the Commission**

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

