

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 209/TT/2021

- Subject** : Petition for truing up of transmission tariff of the 2014-19 tariff period and determination of transmission tariff of the 2019-24 tariff period for 2 number of assets under "Sub-station Works Associated with Strengthening of Transmission System beyond Vemagiri" in the Southern Region.
- Date of Hearing** : 26.7.2022
- Coram** : Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P.K. Singh, Member
- Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : Karnataka Power Transmission Corporation Ltd. and 18 others
- Parties Present** : Shri S. Vallinayagam, Advocate, TANGEDCO
Shri S.S. Raju, PGCIL
Shri D.K. Biswal, PGCIL
Shri V.P. Rastogi, PGCIL
Shri A.K. Verma, PGCIL

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 truing up of transmission tariff of 2014-19 tariff period and determination of transmission tariff for 2019-24 tariff period for following assets under "Sub-station Works Associated with Strengthening of Transmission System beyond Vemagiri" in the Southern Region:
 - i. Asset-1: 2 nos. 400 kV line bays and 2 nos. 50 MVAR Switchable line reactors each at Cuddapah GIS and Madhugiri ends for terminating Cuddapah-Madhugiri 400 kV (quad) D/c line
 - ii. Asset-2: 2 nos. 765 kV line bays and 1 no. 240 MVAR Switchable line reactor on each circuit of Vemagiri II-Chilakaluripeta 765 kV D/C line at Vemagiri II Pooling Station (2 nos. 240 MVAR Switchable line reactors)
 - b. The COD of Asset-1 and Asset-2 has been approved as 28.2.2019 and 15.1.2019 respectively.
 - c. Transmission tariff for the subject assets for 2014-19 tariff period was approved vide order dated 24.1.2021 in Petition No. 69/TT/2020.
 - d. The details of the assets covered under the scope is as under:



Asset Name	COD	Covered under
2 Nos. of 400 kV line bays at Srikakulam for termination of Srikakulam Pooling Station-Garividi 400 kV Quad D/C line	7.8.2018	Trued-up vide order dated 29.4.2021 in Petition No. 480/TT/2019
Asset 1- 2 nos 400 kV line bays and 2 nos. 50 MVAR Switchable line reactors each at Cuddapah GIS and Madhugiri ends for terminating Cuddapah-Madhugiri 400 kV (quad) D/Cline.	28.2.2019	Covered under instant petition
Asset 2- 2 nos 765 kV line bays and 1 no. 240 MVAR Switchable line reactor on each circuit of Vemagiri II-Chilakaluripeta 765 D/C line at Vemagiri II Pooling Station (2 nos. 240 MVAR Switchable line reactors)	15.1.2019	
2 nos. 765 kV line bays and 1 nos. 240 MVAR Switchable line reactors on each circuit of Chilakaluripeta-Cuddapah 765 D/c line at Cuddapah (2 nos. 240 MVAR Switchable line reactors).	18.1.2020	Asset put into commercial operation during 2019-24 tariff period. Tariff determined vide order dated 30.11.2011 in Petition No. 661/TT/2020

- e. The statement of IDC has been placed on record as directed vide order dated 24.1.2021 in Petition No. 69/TT/2020.
- f. Initial spares are claimed as per the Regulations.
- g. Completion cost of all the assets is within the FR apportioned approved cost.
- h. Rejoinder to the reply of TANGEDCO has been filed vide affidavit dated 20.7.2022.
3. The learned counsel for TANGEDCO made the following submissions:
- a. The Petitioner has executed part of the transmission system, wherein some elements are executed by PSITSL, subsidiary of the Petitioner, under TBCB route.
- b. As per the Tariff Regulations, IEGC and Sharing Regulations it is established that if two transmission systems are interdependent and if one of the transmission systems is delayed then the cost has to be borne by the delayed transmission system. In instant case delay was discussed in Petition No.13/MP/2021 and the Commission vide order dated 7.5.2022 has not condoned the delay of the lines under TBCB route.
- c. Since the Line reactors and line bays were made ready well in advance of the completion of the transmission lines, the Petitioner had approached RPC to utilise the line reactor as bus reactor, in addition to the already existing two numbers of bus reactors, and two numbers of line reactors being used as bus reactors. There is no technical justification for having six bus reactors in a sub-station which is connected with only two numbers 765 kV lines (Vemagiri-Srikakulam 765 kV D/C) in the absence of Vemagiri II-Chilakaluripeta 765 kV D/C line. Neither the Petitioner nor the system operator has reported any over voltage issues in Vemagiri-II Sub-station. The



simulation exhibit depicts that the Petitioner is attempting to justify the utilisation of line reactors by reducing the bus voltage from 772 kV to 752 kV (below the rated voltage) at Vemagiri-II Sub-station and from 779 kV to 770 kV at Srikakulam Sub-station. The approach of the Petitioner is irrational and unjustifiable. The Petitioner has not provided any real time data of bus voltages recorded in Vemagiri-II Sub-station, Srikakulam Sub-station and Angul Sub-station during the period from 15.1.2019 to 16.1.2020 so as to justify that the operation of 6 numbers bus reactors were essential to keep the bus voltage within the allowable range.

- d. The Petitioner is in the habitual practice of approaching the RPCs for commercial benefits wherever there is a mismatch in executing the project by other agencies, instead of acting as per the Regulations and agreements.
- e. Further, the commercial aspect of shifting the tariff liability from PSITSL to the beneficiaries was not deliberated in the SRPC meeting and none of the beneficiaries concurred to relieve the TSP from the tariff liability.
- f. Even though the Commission has accorded tariff for the 2 nos. switchable line reactors, since there was a time over-run in case of the transmission lines by PSITSL, the TSP is liable to pay the transmission charges irrespective of the technical benefit reaped as advocated by the Petitioner. There is no reason for relieving the TSP from the tariff liability for their default.
- g. In the absence of the Vemagiri II-Chilakaluripeta 765 kV D/C line due to delayed commissioning by PSITSL, the tariff of the line bays and the line reactors (Asset-2) have to be billed bilaterally to the defaulting entity i.e. PSITSL from 15.1.2019 till the COD of the associated transmission system i.e. on 16.1.2020, irrespective of usage of the line reactors and line bays intended for the transmission lines. This goes in line with the Supreme Court judgment wherein the court has said if the transmission line is not brought under beneficial use, then tariff of the associated assets should be borne by the transmission licensee.

4. In response, the representative of the Petitioner submitted that the issues raised by TANGEDCO were settled vide order dated 24.1.2021 in Petition No. 69/TT/2020. In case of Asset-1, the line was put to commercial operation along with the bay and Asset-2 is in use from COD and power is flowing, hence, there is no question of liability on the defaulting party. The COD of instant assets was approved after considering minutes of RPC and TCC meetings.

5. The Commission directed the Respondents to file their reply by 16.8.2022 on affidavit, with a copy to the Petitioner, who may file rejoinder, if any by 23.8.2022. The Commission further observed that if no reply and rejoinder is received within the specified time, the matter shall be decided on the basis of the information already on record and no extension of time will be granted.

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

By order of the Commission

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

