

**CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**New Delhi**

**Petition No. 707/TT/2020**

- Subject** : Petition for determination of transmission tariff of the 2019-24 tariff period in respect of Madhugiri-Yelahanka 400 kV D/C (Quad) Line with a small portion to be strung on multi-circuit tower of the SRSS-XII Scheme with high ampacity conductor in Bengaluru area along with associated bays and equipments at Madhugiri Sub-station and Yelahanka GIS under "Transmission System associated with System Strengthening -XIII" in the Southern Region.
- Date of Hearing** : 6.1.2022
- Coram** : Shri Arun Goyal, Member  
Shri I.S Jha, Member  
Shri P. K. Singh, Member
- Petitioner** : Power Grid Corporation of India Limited
- Respondents** : Tamil Nadu Generation and Distribution Corporation Limited and 17 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  
Ms. Anshul Garg, PGCIL  
Dr. R. Kathiravan, TANGEDCO  
Shri R. Ramalakshmi, TANGEDCO  
Shri R. Srinivasan, TANGEDCO

**Record of Proceedings**

Case was called out for virtual hearing.

2. The representative of the Petitioner made the following submissions:
- a. The instant petition is filed for determination of transmission tariff from COD to 31.3.2024 in respect of Madhugiri-Yelahanka 400 kV D/C (Quad) Line with a small portion to be strung on multi-circuit tower of the SRSS-XII Scheme with high ampacity conductor in Bengaluru area along with associated bays and equipment at Madhugiri Sub-station and Yelahanka GIS under "Transmission System associated with System Strengthening -XIII" in the Southern Region;
  - b. The scope of the scheme was discussed and agreed in 28<sup>th</sup> Standing Committee Meeting held on 15.6.2009 and 10<sup>th</sup> and 11<sup>th</sup> SRPC meetings held on 2.7.2009 and 17.9.2009;



- c. All the assets under the transmission projects are not covered in the instant petition;
  - d. Rejoinder to the reply dated 15.11.2021 (of TANGEDCO) has been filed vide affidavit dated 25.11.2021 in terms of Commission's directions vide RoP dated 26.10.2021. CEA/ RLDC/ CMD Certificate for the instant asset has been submitted along with the petition;
  - e. The transmission scheme was scheduled to be put into commercial operation within 32 months from the date of Investment Approval, i.e. by 27.6.2014 against which the instant asset was put into commercial operation w.e.f. 2.2.2020 with a time over-run of 5 years 7 months and 6 days;
  - f. The delay is on account of severe RoW issues, obstruction faced during the construction of line, court cases, higher compensation demand by Karnataka Rajya Raitha Sangha and due to time over-run in case of Yelahanka Sub-station under SRSS-XII;
  - g. Due to severe ROW problems and to further optimize the Corridor, a decision was taken in the 35<sup>th</sup> SCM held on 4.1.2013 that instead of LILO of both circuits of Nelamangala-Hoody D/C Line, only one Circuit to be LILO using one D/C of the Multi-circuit towers and the balance D/C shall be used for the 400 kV Madhugiri-Yelahanka D/C Quad Line using High ampacity conductor in the multi-circuit portion. Accordingly, the scope under SRSS-XII and SRSS-XIII was revised by the Ministry of Power, vide Letter Ref: 11/14/2007-PG dated 7.8.2013;
  - h. Petition No. 114/MP/2014 was filed in the matter to adjudicate the difference or dispute arisen with regard to the compensation and for seeking direction from the Commission relating to construction of instant Madhugiri-Yelahanka 400 kV D/C(Quad) line and construction of 400/220 kV Yelahanka Sub-station and LILO of Nelamangala-Hoody 400 kV S/C (Quad) line at 400/220 kV Yelahanka Sub-station under SRSS-XII, wherein the detailed circumstances that lead to the inordinate delay in the completion for the above asset was submitted;
  - i. The estimated completion cost is within the apportioned approved cost as per RCE-II for the subject asset. However, there was cost over-run with respect to FR cost and RCE-I mainly due to the higher compensation to be paid as per the assessment by the revenue authorities and increase in IDC, FERV and IEDC due to delay in execution;
  - j. The details pertaining to delay in commissioning of assets have been provided. Therefore, it is prayed that the time over-run and cost over-run may be condoned.
  - k. The Initial Spares claimed are within the ceiling; and
  - l. The information sought in technical validation letter was filed vide affidavit dated 21.9.2021.
3. The learned counsel for TANGEDCO made the following submissions:



- a. The instant asset was put into commercial operation on 2.2.2020 with a delay of 5 years 7 months and 6 days, whereas all the other assets under the transmission scheme were put into commercial operation on 1.12.2015;
- b. The Petitioner has submitted that the subject line got delayed mainly due to RoW issues and protest from land-owners demanding enhanced compensation. However, the Petitioner could have resolved the RoW issues with the intervention of Central/ State/ District/ local administration;
- c. The issues of RoW, court cases and litigation are common, but they are not uncontrollable factors in deciding time over-run as per Regulation 22(2) of the 2019 Tariff Regulations. Accordingly, the time over-run may not be condoned;
- d. The Petitioner vide affidavit dated 25.11.2021 has submitted the proof of events that led to the delay. However, it does not clarify the actions taken by the Petitioner to declare COD of the subject asset earlier;
- e. The subject asset is only a small portion of the transmission scheme as admitted by the Petitioner and was put into commercial operation only after COD of Yelahanka Sub-station in 2018. Accordingly, the delay upto COD of Yelahanka Sub-station cannot be attributed to the beneficiaries;
- f. The Petitioner has not provided the detailed reasons for RCE-II submitted in the instant petition. RCE-II was approved on 31.3.2020, whereas COD of the instant asset was 2.2.2020, i.e. RCE-II was approved post COD of asset based on final cost. Therefore, consideration of RCE-II in the instant petition will be in conflict of Section 38(2)(c) of the Electricity Act, 2003; and
- g. Therefore, the time over-run, cost over-run and corresponding IDC and IEDC may be disallowed.

4. In response to learned counsel's submission, the Petitioner submitted that the detailed chronology of events leading to time over-run has been submitted along with the petition.

5. In response to Commission's query regarding the prayers for which the Petitioner had earlier approached the Commission for the instant transmission scheme, the Petitioner submitted that it had approached the Commission to adjudicate the difference or dispute arisen with regard to the compensation and seeking direction from the Commission relating to construction of instant Madhugiri-Yelahanka 400 kV D/C(Quad) line and construction of 400/220 kV Yelahanka Sub-station and LILO of Nelamangala-Hoody 400 kV S/C (Quad) line at 400/220 kV Yelahanka Sub-station.

6. In response to Commission's query regarding post-facto approval of RCE-II, the Petitioner submitted that based on projected Additional Capital Expenditure and discharge of liability after COD of the expenditure incurred before COD, approval of RCE is requested from BoD. In the instant petition, RCE-II consists of 95% actual cost and 5% estimated cost.



7. In response to Commission's query regarding the detailed reasons along with the justifications for cost over-run in the RCE-II, the Petitioner submitted that it may be allowed to file a write-up on the issue.

8. The Commission directed the Petitioner to submit the detailed reasons/ write-up along with the justifications for cost over-run in the RCE by 25.1.2022 and further observed that no extension of time to file the same shall be granted.

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

**By order of the Commission**

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

