

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Review Petition No. 14/RP/2022

in

Petition No. 652/TT/2020

Coram:

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

Date of Order: 17.10.2022

In the matter of:

Review Petition under Section 94(1)(f) of the Electricity Act, 2003 read with Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, seeking review and modification of the order dated 17.2.2022 in Petition No. 652/TT/2020.

And in the Matter of:

Power Grid Corporation of India Limited,
"Saudamini", Plot No. 2,
Sector 29, Gurgaon-122001
Haryana.

....Review Petitioner

Vs

1. Tamil Nadu Generation and Distribution Corporation Limited,
NPKKR Maaligai, 800, Anna Salai,
Chennai-600002.
2. Transmission Corporation of Andhra Pradesh Limited,
Vidyut Soudha,
Hyderabad-500082.
3. Kerala State Electricity Board,
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram-695004.



4. Tamil Nadu Electricity Board,
NPKRR Maaligai, 800, Anna Salai,
Chennai-600002.
5. Electricity Department,
Government of Goa,
Vidyuti Bhawan,
Panaji, Goa- 403001
6. Electricity Department,
Government of Pondicherry,
Pondicherry-605001.
7. Eastern Power Distribution Company of Andhra Pradesh Limited,
P&T Colony, Seethmmadhara,
Vishakhapatnam, Andhra Pradesh.
8. Southern Power Distribution Company of Telangana Limited,
Corporate Office, Mint Compound,
Hyderabad-500063 (Hyderabad).
9. Central Power Distribution Company of Andhra Pradesh Limited,
Corporate Office, Mint Compound,
Hyderabad-500063.
10. Northern Power Distribution Company of Telangana Limited,
Opposite NIT Petrol Pump, Chaitanyapuri,
Kazipet, Warangal-506004.
11. Bangalore Electricity Supply Company Limited,
Corporate Office, K. R. Circle,
Bangalore-560001.
12. Gulbarga Electricity Supply Company Limited,
Station Main Road,
Gulbarga, Karnataka
13. Hubli Electricity Supply Company Limited,
Navanagar, PB Road,
HUBLI, Karnataka.
14. MESCOM Corporate Office,
Paradigm Plaza, AB Shetty Circle,
Mangalore-575001 (Karnataka).



15. Chamundeswari Electricity Supply Corporation Limited,
927, L J Avenue, Ground Floor, New Kantharaj URS Road,
Saraswatipuram,
Mysore-570009 (Karnataka).
16. Transmission Corporation of Telangana Limited,
Vidhyut Sudha, Khairatabad,
Hyderabad-500082.
17. Karnataka Power Transmission Corporation Limited,
Kaveri Bhavan,
Bangalore-560009.
18. Karnataka Solar Power Development Corporation Limited,
2nd Floor, South Block, Beeja Raja Seed Complex,
Bellary Road, Hebbala,
Bengaluru-560024 (Karnataka).

...Respondents

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

For Respondents : None

ORDER

Power Grid Corporation of India Limited (hereinafter referred to as “PGCIL/Review Petitioner) has filed the present Review Petition No. 14/RP/2022 seeking review and modification of the order dated 17.2.2022 in Petition No. 652/TT/2020 under Section 94(1)(f) of the Electricity Act, 2003, read with Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 wherein the Commission determined tariff from COD to 31.3.2024 in respect of of Fixed Series Capacitor (40%) on Circuit-I and Circuit-II of 400 kV Tumkur (Pavagada)-Tumkur



(Vasantnarsapura) D/C Quad Line at Tumkur (Pavagada) PS end (hereinafter referred to as the “transmission asset”) under “Transmission System for Ultra Mega Solar Power Park at Tumkur (Pavagada), Karnataka-Phase-II Part-C” in Southern Region (hereinafter referred to as the “transmission system”).

2. The Review Petitioner has sought review of the impugned order dated 17.2.2022 on the limited issue of partial disallowance of O&M Expenses. The Petitioner has submitted that bays at Tumkur (Pavagada) are AIS Bays. However, the Commission has allowed O&M Expenses considering them as GIS Bays. The Review Petitioner has further submitted that at page 11 of the pleadings in Petition No. 652/TT/2020, there was an inadvertent reference to the sub-station as GIS under the heading Initial Spares. However, all the claims made by the Review Petitioner including Initial Spares and O&M Expenses were on the basis of AIS and not GIS.

3. The Review Petitioner has made the following prayers:

“a. Admit the present Review Petition;

b. Review the order dated 17.02.2022 passed by this Hon’ble Commission;

c. Allow the O&M expenses as claimed by the review Petition as per the Form-2 submitted along with Petition No. 652/TT/2020;

d. Pass such other further order(s) as the Hon’ble Commission may deem just in the facts of the present case.”

4. The matter was heard through video conference. The Commission admitted the instant review petition on 24.6.2022 and issued notice to the parties. However, none of the Respondents have either entered appearance or filed reply in the matter.



Subsequently, the matter was heard through video conference on 12.8.2022 and the order was reserved after hearing the Review Petitioner.

Submissions of the Review Petitioner

5. The Review Petitioner has submitted following in support of the instant review petition:

- a. The Review Petitioner had claimed the following O&M Expenses for the bays at Tumkur (Pavagada) Sub-station in Form-2 annexed along with the Petition No. 652/TT/2020 (@ page 81 of the pleadings of the petition) for AIS Bays as follows:

2019-20 (pro-rata for 213 days)	2020-21	2021-22	2022-23	2023-24
37.42	66.56	68.90	71.32	73.82

- b. However, inadvertently the sub-station was referred to as GIS under the heading initial spares (at page 11 of the pleadings in petition). However, all claims made by the Review Petitioner including Initial Spares and O&M Expenses were on the basis of AIS and not GIS.
- c. The Commission granted the O&M Expenses for the bays at Tumkur (Pavagada) Sub-station considering it as GIS Sub-station, which is lower than the O&M Expenses applicable for the AIS Sub-station and claimed by the Review Petitioner in Form-2 submitted along with the Petition No. 652/TT/2020.



d. The O&M Expenses approved by the Commission is summarised in the following table, which is significantly less than the claim made by the Review Petitioner as indicated above at paragraph 5a:

2019-20 (pro-rata for 213 days)	2020-21	2021-22	2022-23	2023-24
26.19	46.59	48.23	49.92	51.67

e. The Review Petitioner had made all claims as per the AIS Bays. However, there was an inadvertent reference to the term GIS @ page 11 of the pleadings in Petition No. 652/TT/2020. However, the substantive claim made is as per the Tariff Regulations and the Review Petitioner ought not to be non-suited on account of procedural error.

f. Regulations once framed are binding on all parties and the tariff to be determined should conform to the provisions of the 2019 Tariff Regulations. It is well settled that Regulations framed bind even the Commission and therefore the claim of O&M Expenses ought to be allowed as per AIS bays.

6. During the hearing on 12.8.2022, the Review Petitioner reiterated its submissions.

Analysis and Decision

7. We have considered the submissions of the Review Petitioner and have perused the record. The basic contention of the Review Petitioner is that the Commission in order dated 17.2.2022 in Petition No. 652/TT/2020 had allowed O&M Expenses from COD to 31.3.2024 for the bays at Tumkur (Pavagada) Sub-station considering them as GIS Bays based on an inadvertent submission by the Review Petitioner that the sub-station at



Tumkur (Pavagada) as GIS at page 11 of the pleadings in Petition No. 652/TT/2020. However, the sub-station at Tumkur (Pavagada) is an AIS and all the claims made by the Review Petitioner including Initial Spares and O&M Expenses were on the basis of AIS bays and not GIS bays.

8. The Commission considering the submissions of the Review Petitioner allowed O&M Expenses for the bays considering them as GIS on the basis of the submissions of the Review Petitioner at page 11 of the pleadings in Petition No. 652/TT/2020. However, on re-examination of Form-2 submitted by the Review Petitioner in Petition No. 652/TT/2020, we find that the bays associated with the 400 kV Pavagada are AIS bays as contended by the Review Petitioner. Not allowing O&M Expenses specified for the AIS bays for the instant bays at 400 kV Pavagada Sub-station because of the inadvertent wrong claim made by the Review Petitioner would deprive the Review Petitioner of its rightful claim for O&M Expenses specified for AIS bays in the 2019 Tariff Regulations. Therefore, we allow the Review Petitioner's prayer for revising the O&M Expenses allowed for the bays at 400 kV Pavagada Sub-station in order dated 17.2.2022 in Petition No.652/TT/2022 as per the norms for AIS bays in the 2019 Tariff Regulations. However, the Review Petitioner is directed to be careful in making claims in future.

9. In view of the above, the O&M Expenses for the bays at Tumkur (Pavagada) Sub-station for the period from COD to 31.3.2024 are revised on the basis of the norms for AIS bays in the 2019 Tariff Regulations.



10. Accordingly, the O&M Expenses allowed for the transmission asset in paragraph 60 of the order dated 17.2.2022 in Petition No. 652/TT/2020 is revised as follows:

Operation & Maintenance Expenses (O&M Expenses)

(₹ in lakh)					
Particulars	2019-20 (Pro-rata for 213 days)	2020-21	2021-22	2022-23	2023-24
Sub-station bays					
400 kV Pavagada: FSC Bays	2	2	2	2	2
Norm (₹ lakh/bay)					
400 kV (AIS)	32.15	33.28	34.45	35.66	36.91
Total Sub-station O&M	64.30	66.56	68.90	71.32	73.82
Total O&M Expenses allowed					
	37.42	66.56	68.90	71.32	73.82

11. The revision of O&M Expenses of the bays will have consequential impact on Interest on Working Capital and Annual Fixed Cost approved for the transmission asset. Accordingly, the tariff approved for the transmission asset from its COD to 31.3.2024 in order dated 17.2.2022 in Petition No. 652/TT/2020 needs to be revised and the same is revised in the following paragraphs.

Interest on Working Capital (IWC)

12. The IWC allowed for transmission asset in paragraph 62 of the order dated 17.2.2022 in Petition No. 652/TT/2020 is revised as follows:

(₹ in lakh)					
Particulars	2019-20 (pro-rata for 213 days)	2020-21	2021-22	2022-23	2023-24
Working Capital for O&M Expenses (O&M expenses for One month)	5.36	5.55	5.74	5.94	6.15
Working Capital for Maintenance Spares (15% of O&M expenses)	9.65	9.98	10.34	10.70	11.07



Particulars	2019-20 (pro-rata for 213 days)	2020-21	2021-22	2022-23	2023-24
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	126.36	158.84	169.61	165.75	161.44
Total Working Capital	141.37	174.37	185.69	182.40	178.67
Rate of Interest of working capital (%)	12.05	11.25	10.50	10.50	10.50
Interest of working capital	9.91	19.62	19.50	19.15	18.76

Revised Annual Fixed Charges for the 2019-24 Period

13. The annual fixed charges allowed for transmission asset in paragraph 63 of the order dated 17.2.2022 in Petition No. 652/TT/2020 is revised as follows:

Particulars	(₹ in lakh)				
	2019-20 (pro-rata for 213 days)	2020-21	2021-22	2022-23	2023-24
Depreciation	180.93	401.95	440.11	440.11	440.11
Interest on Loan	177.27	373.09	379.44	346.09	312.59
Return on Equity	192.59	427.14	467.78	467.78	467.78
Operation and Maintenance	37.42	66.56	68.90	71.32	73.82
Interest on Working Capital	9.91	19.62	19.50	19.15	18.76
Total	598.12	1288.36	1375.73	1344.45	1313.06

14. In view of the above, the summary of tariff allowed for the transmission asset for 2019-24 period in paragraph 83(a) of the order dated 17.2.2022 in Petition No. 652/TT/2020 is also revised as follows:

(₹ in lakh)				
2019-20 (pro-rata for 213 days)	2020-21	2021-22	2022-23	2023-24
598.12	1288.36	1375.73	1344.45	1313.06

15. Except for the above, all other terms contained in order dated 17.2.2022 in Petition No. 652/TT/2020 shall remain unchanged.



16. Accordingly, Review Petition No. 14/RP/2022 is disposed of in terms of the above discussions and findings.

sd/-

(P. K. Singh)
Member

sd/-

(Arun Goyal)
Member

sd/-

(I. S. Jha)
Member

