

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 309/MP/2022

Subject	:	Petition under Regulation 35(3)(c) of the CERC (Terms and Conditions of Tariff) Regulations, 2019 for approval and recovery of Security Expenses for transmission system for the period from 1.4.2019 to 31.3.2024.
Petitioner:	:	Teestavalley Power Transmission Limited
Respondents	:	PTC India Limited and 13 Ors.
Date of Hearing	:	27.3.2023
Coram	:	Shri Jishnu Barua, Chairperson Shri I. S. Jha, Member Shri Arun Goyal, Member Shri P.K. Singh, Member
Parties Present	:	Shri Tarun Johri, Advocate, TPTL Shri Ankur Gupta, Advocate, TPTL Shri Abhishek Vats, TPTL

Record of Proceedings

Teestavalley Power Transmission Limited, an inter-State transmission licensee, has implemented and operating the 400 kV D/C Teesta III-Kishanganj quad moose transmission line along with 2 nos. line bays and 2 nos. 63 MVAR switchable line reactor bays at Kishanganj Sub-station as a part of the master plan for evacuation of power from 1,200 MW Teesta III HEP with the following assets:

- a. **(Ckt 2)**: Section of 400 kV D/C Teesta-III HEP - Kishanganj Transmission Line from Teesta III HEP to LILO Point at Rangpo
- b. **(Ckt 1(a))**: Section of 400 kV D/C Teesta-III HEP - Kishanganj Transmission Line from Teesta III HEP to Dikchu
- c. **(Ckt 1(b))**: Section of 400 kV D/C Teesta-III HEP - Kishanganj Transmission Line from Dikchu HEP to LILO Point at Rangpo
- d. **(Ckt 2(a))**: Section of 400 kV D/C Teesta-III HEP - Kishanganj Transmission Line from Rangpo LILO Point to Kishanganj along with 1 no. of line bays and 1 no. of 63 MVAR switchable reactor at Kishanganj Sub-station
- e. **(Ckt 1(c))**: Section of 400 kV D/C Teesta-III HEP - Kishanganj Transmission Line from Rangpo LILO Point to Kishanganj along with 1 no. of line bays and 1 no. of 63 MVAR switchable reactor at Kishanganj Sub-station



2. Learned counsel for the Petitioner made the following submissions:
- a) The instant petition has been filed for approval and recovery of the security expenses already incurred and to be incurred, in relation to the transmission project of the Petitioner during the period from 1.4.2019 to 31.3.2024. The security expenses towards 2019-20, 2020-21 and 2021-22 are being claimed based on the actual costs incurred whereas the estimated security expenses for 2022-23 and 2023-24 are claimed considering escalation rate of 3.52% per annum as per the 2019 Tariff Regulations 2019.
 - b) The said transmission line of 215 km, consists of 589 towers, traverses through the difficult terrains of Sikkim, West Bengal and Bihar. For the ease of movement of the manpower and the material in the above states, following three stores for storage of large quantity of capital spares namely tower materials, conductors, insulators, hardware fittings, earth wires and various tools & plants as well as safety equipment are maintained:
 - i) The first storage at Belwa Kishanganj is for Bihar & West Bengal plain area.
 - ii) The second storage at Matigara in Darjeeling district of West Bengal is for the West Bengal hilly area.
 - iii) And the third storage at Mangan in North District of Sikkim is for Sikkim hilly area.
 - c) Because of security perceptions, the Petitioner has to make arrangements to secure the stores and the transmission lines. The security expenses sought by the Petitioner are therefore towards such security arrangement for the transmission lines and the abovementioned stores.
 - d) The Commission, on 22.3.2022, in Petition No. 35/TT/2021 had already tried up the transmission tariff for 2014-19 tariff block and determined the transmission tariff for 2019-24 tariff block for the above combined asset. The Petitioner did not claim the security expenses in the said petition and it has been submitted that a separate petition shall be filed before the Commission for claiming the overall security expenses and consequential Interest on Working Capital (IWC) on the same as envisaged in the 2019 Tariff Regulations.
 - e) In the 2019 Tariff Regulations, security expenses incurred/to be incurred by the transmission licensees have been excluded from the norms of O&M Expenses and are to be considered separately after the prudence check. Accordingly, the Petitioner has not claimed the security expenses in the tariff petitions filed/being filed for the tariff block 2019-24 and is claiming such expenses separately on consolidated basis through the present petition.



3. In response to the Commission's query regarding the provision under which the security expenses are claimed by the Petitioner, the learned counsel for the Petitioner referred to paragraph 10.7.5 of the Statement of Reasons (SOR) for the 2019-24 Tariff Regulations.

4. The Commission observed that paragraph 10.7.5 of the SOR is in respect of the security expenses to meet the abnormal circumstances and that the expenses under normal conditions have already been included in the O&M norms specified under the 2019 Tariff Regulations.

5. After hearing the learned counsel for the Petitioner, the Commission admitted the Petition and directed to issue notice to the Respondents.

6. The Commission directed the Petitioner to serve copy of the Petition on the Respondents immediately, if not already served. The Commission also directed the Respondents to file their reply by 14.4.2023 with an advance copy to the Petitioner who may file its rejoinder, if any, by 28.4.2023. The Commission further directed the parties to comply with the directions within the specified timeline and observed that no further extension of time will be allowed.

7. The Petition shall be listed for final hearing on 11.5.2023.

By order of the Commission

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

