

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 23/TT/2016

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri A.K.Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member**

Date of Hearing : 22.03.2016

Date of Order : 04.04.2016

In the matter of:

Determination of transmission tariff of **Asset I** :1 X 500 MVA, 400/220/33kV ICT at Malekuttaiyur Sub-station along with associated bays and equipment, **Asset II**: 1 X 500 MVA, 400/220/33 kV ICT at Somanahalli Sub-station along with associated bays and equipment and **Asset-III** : 1X500 MVA, 400/220/33 kV ICT at Mysore Sub-station along with associated bays and equipment under System strengthening-XX" in Southern Region from anticipated COD to 31.3.2019 under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 .

And in the matter of:

Power Grid Corporation of India Limited

"Saudamini", Plot No.2,
Sector-29, Gurgaon -122 001

.....Petitioner

Vs

1. Karnataka Power Transmission Corporation Ltd.
(KPTCL) Kaveri Bhawan, Bangalore-560009
2. Transmission Corporation of Andhra Pradesh Ltd.
(APTRANSCO), Vidyut Soudha
Hyderabad-500082



3. Kerala State Electricity Board (KSEB)
Vaidyuthi Bhavanam, Pattom
Thiruvananthapuram-695004
4. Tamil Nadu Electricity Board (TNEB)
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 Ltd. (APEPDCL), P&T Colony,
Seethmmadhara, Vishakhapatnam, Andhra Pradesh
8. Southern Power Distribution Company of Andhra Pradesh (APSPDCL) Srinivasasa Kalyana
Mandapam Backside, Tiruchanoor Road,
Kesavayana Gunta, Tirupati- 517 501
Chittoor District, Andhra Pradesh
9. Central Power Distribution Company of Andhra Pradesh (APCPDCL), Corporate Office, Mint Compound,
Hyderabad- 500 063, Andhra Pradesh
10. Northern Power Distribution Company of Andhra Pradesh Limited (APMPDCL), Opp. NIT Petrol Pump,
Chaitanyapuri, Kazipet, Warangal- 506 004
Andhra Pradesh
11. Bangalore Electricity Supply Company Ltd. (BESCOM)
Corporate Office, K. R. Circle
Bangalore- 560 001, Karnataka
12. Gulbarga Electricity Supply Company Ltd.
(GESCOM), Station Main Road, Gulbarga
Karnataka



13. Hubli Electricity Supply Company Ltd.
(HESCOM), Navanagar, P B Road
Hubli, Karnataka

14. MESCOM Corporate Office
Paradigm Plaza, AB Shetty Circle
Mangalore- 575 001, Karnataka

15. Chamundeswari Electricity Supply
Corporation Ltd. (CESC), # 927, L.J. Avenue
Ground Floor, New Kantharaj Urs Road,
Saraswatipuram, Mysore-570 009
Karnataka

.....Respondents

For petitioner : Shri S.S.Raju, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Jasbir Singh, PGCIL
Shri Anshul Garg, PGCIL
Shri K.K.Jain, PGCIL

For respondents : Ms. C. Lakshmi Devi, TANGEDCO
Shri R. Kathiravan, TANGEDCO
Shri S. Vallinayagam, TANGEDCO

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for determination of transmission tariff of **Asset I** : 1 X 500 MVA, 400/220/33 kV ICT at Malekuttaiyur Sub-station along with associated bays and equipment, **Asset II** : 1 X 500 MVA, 400/220/33 kV ICT at Somanahalli Sub-station along with associated bays and equipment and **Asset-III** : 1X500 MVA, 400/220/33 kV ICT at Mysore Sub-station along with associated bays and equipment under System strengthening-XX" in



Southern Region for 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred as 2014 Tariff Regulations).

2. During the hearing on 22.3.2016, the representative of the petitioner submitted that as per the Investment Approval (I.A.) dated 8.8.2014, the instant assets are to be commissioned within 30 months from the date of I.A. i.e. by 8.2.2017. The instant assets are anticipated to be commissioned on 1.4.2016 and no time over-run is anticipated in commissioning of the instant assets. The representative of the petitioner prayed for grant of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations in respect of the instant assets.

3. As per proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant tariff upto 90% of the AFC of the transmission system or element thereof for the purpose of inclusion in POC charges in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission charges and losses), Regulation, 2010. Regulation 7(2) of the 2014 Tariff Regulations provides that the application for tariff should be made in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004 (hereinafter referred to as "2004 Regulations"). Regulation 7(4) of the 2014 Tariff Regulations provides that such an application shall be filed as per Annexure-I of these regulations.



4. We have considered the submissions of the petitioner. The petitioner has made the applications as per Annexure-I of the 2014 Tariff Regulations. The petitioner has also complied with the requirements of 2004 Regulations, such as service of the copy of the application on the beneficiaries, publication of notice and web hosting of the application, etc.

5. After carrying out preliminary prudence check of the AFC claimed by the petitioner, the Commission has decided to allow tariff for the instant assets in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 6 of this order for 2016-17.

6. The details of the tariff claimed by the petitioner and tariff allowed by the Commission are as under:-

Annual transmission charges claimed by the petitioner are as follows:-

(₹ in lakh)			
Assets	2016-17	2017-18	2018-19
Asset-1	490.94	539.30	555.00
Asset-2	475.14	520.88	535.80
Asset-3	502.52	549.64	564.80

Annual transmission charges allowed are as follows:-

(₹ in lakh)	
Assets	2016-17
Asset-1	417.30
Asset-2	403.87
Asset-3	427.14



7. The AFC allowed in this order shall be applicable from the date of commercial operation of the transmission system and the billing, collection and disbursement of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulation 7(7) of the 2014 Tariff Regulations.

8. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 30.4.2016:-

- a) The amount of the balance and retention payment yet to be made along with the details of the contract for which payment has been retained along with the amount retained.
- b) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & electricity Supply) Regulations, 2010 for the asset covered in the instant petition.
- c) RLDC charging certificate for the assets as mentioned in the petition.
- d) RCE for all Assets.
- e) Details of de-capitalization of existing equipment and the petition number in which original assets were claimed.
- f) Details of released ICTs which are stated to be used as regional spares in respect of the life of these ICTs and the petition in which they have claimed. RPC approval to use these ICTs as regional spares.
- g) Statement of reasons and clarifications for cost variations along with documentary evidence for the following items :
 - i. Foundations structures
 - ii. Transformers
 - iii. Tools & plants



- h) Status of commissioning of the Asset vide COD letter as per actual COD and Auditor/Management certificates alongwith all tariff forms.
- i) Auditor certificate clearly indicating whether the certified cost is inclusive of liability or excluding the liability.
- j) Form - 4A (Statement of Capital Cost), indicating the liability to be included in Gross Block.
- k) In case entire amount of initial spares has been discharged as on COD, submit the year wise details of liability discharged and un-discharged w.r.t. initial spares. Also clarify whether the un-discharged liability as on COD for initial spares are adjusted in estimated additional capitalization or not.
- l) Form 12B (Draw Down schedule for calculation of IDC & Finance Charges), duly filled all column for all quarters. Also provide the computation of interest during construction along with editable soft copy in Excel format with links for the asset
 - i. From the date of infusion of debt fund up to scheduled COD and from scheduled COD to actual date of commercial operation (in case the actual COD fall after scheduled COD) OR
 - ii. From the date of infusion of debt fund up to scheduled COD/actual COD as per Regulation 11 (A) (1) of 2014 Tariff Regulations.
- m) In case any of assets de-capitalized/asset has been kept not in use due to commissioning of the assets covered in the instant petition, the details like date of de-cap/asset not put to use, Gross block, Cumulative depreciation till the date of De-cap.
- n) Supporting documents for proposed loan @ 8.40%.
- o) Revised cost Estimates after the approval of Board of Directors.
- p) Editable Soft copy (Excel format) of all the tariff forms along with petition soft copy (in .doc format).

sd/-

(Dr. M.K. Iyer)
Member

sd/-

(A.S. Bakshi)
Member

sd/-

(A.K. Singhal)
Member

sd/-

(Gireesh B. Pradhan)
Chairperson

