

CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi

Petition No. 75/TT/2021

- Subject** : Petition for determination of transmission tariff from COD to 31.3.2024 for two assets under “Transmission system for evacuation of power from 2X500MW Neyveli Lignite Corporation Ltd. TS-1(Replacement) (NNTPS)” in the Southern Regional.
- Date of Hearing** : 1.8.2022
- Coram** : Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P.K. Singh, Member
- Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : Tamil Nadu Generation and Distribution 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
Dr. R. Kathiravan, TANGEDCO
Ms. R. Ramalakshmi, TANGEDCO
Shri R. Srinivasan, TANGEDCO
Shri R. Kumutha, TANGEDCO

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 determination of transmission tariff from COD to 31.3.2024 for the following assets under “Transmission system for evacuation of power from 2X500 MW Neyveli Lignite Corporation Ltd. TS-1(Replacement) (NNTPS)” in the Southern Regional grid:
- i. Asset-1: NNTPS switchyard – Ariyalur (Villupuram) 400 kV D/C Twin line (The said line could not be terminated at Ariyalur Sub-station due to non-readiness of new Ariyalur Sub-station being implemented by TANTRANSCO. The said line is connected with one circuit of LILO section of existing Pugalur-Kalivindapattu 400 kV D/C Line at Ariyalur to form NNTPS-Pugalur 400 kV circuit and NNTPS-Kalivindapattu 400 kV circuit as an interim arrangement as per the approval given by CEA vide letter dated 9.3.2020); and



- ii. Asset-2: 2 nos. of 400 kV Line bays at Ariyalur Sub-station (TANTRANSCO) for terminating NNTPS Switchyard-Ariyalur (Villupuram) 400 kV D/C line
- b. Actual COD of Asset-1 has been claimed as 9.7.2020. Further, at the time of filing of tariff, the tariff for Asset-2 was claimed on anticipated COD of 30.11.2020. However, Asset-2 is yet to be put into commercial operation and is expected to be ready by 31.12.2022.
- c. Due to the non-readiness of Asset-2 which is bay extension at New Ariyalur Sub-station being executed by TANTRANSCO on behalf of the Petitioner on depository work basis, the subject line is connected with one circuit of LILO section of existing Pugalur- Kalivindapattu 400 kV D/C Line at Ariyalur to form NNTPS - Pugalur 400 kV circuit and NNTPS-Kalivindapattu 400 kV circuit as an interim arrangement. It is submitted that the above interim arrangement has been agreed and approved in meeting held on 9.3.2020 at CEA, New Delhi.
- d. The details of the assets covered under the instant transmission scheme is as follows:

Name of Asset	SCOD	Actual COD	Petition No.
LILO of existing Neyveli TS-II – Pondicherry 400 kV S/c at NNTPS generation switchyard	10.6.2018 to 10.7.2019 Progressively	26.06.2018	150/TT/2020
Asset-1	10.6.2018 to 10.7.2019 progressively	9.7.2020	Covered under current petition
Asset-2	10.6.2018 to 10.7.2019 progressively	30.11.2020	

- e. The Investment Approval (IA) of the project was accorded by Board of Directors of the Petitioner's Company vide Memorandum Ref.: C/CP/PA 1718-06-0A-IA006 dated 6.6.2017, at an estimated cost of ₹18617.00 lakh including IDC of ₹951.00 lakh, at February, 2017 price level. Further, approval for Revised Cost Estimate (RCE) of the project "Transmission system for evacuation of power from 2x500MW Neyveli Lignite Corporation Ltd TS-1(Replacement) (NNTPS)" was accorded by Board of Directors of the Petitioner's Company vide letter Ref: C/CP/PA1920-12-0AR-RCE013 dated 27.3.2020 at an estimated cost of ₹21966.00 lakh including IDC of ₹1211.00 lakh at September 2019 price level.
- f. The estimated competition cost for the transmission assets is within the RCE apportioned approved cost.
- g. Response to the TV replies has been filed vide affidavit dated 20.10.2021 wherein the cash IDC statement, liability flow statement and detailed chronology of delay has been submitted.
- h. Rejoinder to the reply of TANGEDCO has been filed vide affidavit dated 24.11.2021.



3. The learned counsel for TANGEDCO made the following submissions:
- a. The unit-I of NNTPS was declared COD on 28.12.2019 against the SCOD of June 2015. To cater the requirement of Unit-I, the 230 kV side connectivity to TANTRANSCO network as well as the LILO of existing Neyveli TSII-Pondicherry 400 kV S/C line at NNTPS (PGCIL) were put into commercial operation. These transmission lines were more than adequate to transfer the power from Unit-I (500 MW) and TANGEDCO was drawing its allocation of 65% through TANTRANSCO network.
 - b. There was an abnormal delay in COD of the Unit-II also and COD was declared on 10.2.2021 against the original SCOD of December, 2015. Till commissioning of the second unit, there was no requirement for the NNTPS-Ariyalur 400 kV D/C line and the lines had been brought to beneficial use after commissioning of Unit-II.
 - c. The Petitioner has the responsibility to match the COD of the subject transmission line with that of the COD of the Unit-II of NNTPS which otherwise would be a redundant asset.
 - d. The Petitioner may be directed to recover the tariff from the actual COD of the line ie. 9.7.2020 to the COD of Unit –II of NNTPS from NLC as per Regulation 8(5) of the 2010 Sharing Regulations and Regulation 13(3) of the 2020 Sharing Regulations. Further, the IDC and IEDC for the period from SCOD to actual COD may be disallowed as the time over-run in case of the lines was not attributable to the Respondents.
 - e. An agreement was executed on 15.6.2021 between the Petitioner and TANTRANSCO for execution of the bay works at Ariyalur Sub-station by TANTRANSCO. The Petitioner has paid an amount of ₹2345.00 lakh against the sanctioned amount of ₹3207.16 lakh. Despite TANTRANSCO's consistent efforts to complete the 765/400 kV Sub-station (wherein the subject bays are part of the work), there is delay in completion of sub-station due to contractual exigencies with BHEL.
 - f. However, anticipating the delay in completion of the bay work, approval has already been accorded by CEA on 9.3.2020 for connecting the NNTPS-Ariyalur line with LILO portion of Pugalur-Kalivanthapattu 400 kV line to form NNTPS-Pugalur and NNTPS- Kalivanthapattu 400 kV circuits as an interim arrangement, well before execution of the contract between the Petitioner and TANTRANSCO. Therefore, there is no constraint in evacuation of power and bringing the lines into beneficial use due to the absence of the bays at Ariyalur Sub-station. Under such circumstance, since the agreement between the Petitioner and TANTRANSCO has been executed only on 15.6.2021, the delay cannot be attributable to either TANTRANSCO or TANGEDCO.
 - g. The Petitioner may be directed to exclude Asset-II from the instant petition and to file a fresh petition separately on COD of the asset.



4. In response to Commission's query regarding the status of 2 nos. of 400 kV Line bays at Ariyalur Sub-station, the Petitioner submitted that it is anticipated to achieve COD by 31.12.2022. The learned counsel for TANGEDCO submitted that the updated status will be submitted shortly.

5. The Commission directed the Petitioner and TANGEDCO/TANTRANSCO to submit the status of Asset-II on affidavit by 23.8.2022 with a copy to the other parties. The Commission further observed that if the said information is not 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

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(V. Sreenivas)
Joint Chief (Law)

