

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 208/TT/2024**

**Coram:**

**Shri Jishnu Barua, Chairperson  
Shri Ramesh Babu V., Member  
Shri Harish Dudani, Member  
Shri Ravinder Singh Dhillon, Member**

**Date of Order : 04.02.2026**

**In the matter of:**

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for the determination of the Transmission Tariff from the proposed COD to 31.3.2024 for Asset-1: 1 no. 400 kV Bay at 765/400 kV Kurnool (New) Sub-station under implementation of Kurnool (New) Sub-station in the Southern Region.

**And in the matter of:**

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

**...Petitioner**

**Vs.**

1. **Tamil Nadu Generation and Distribution Corporation Limited,  
NPKRR, Maaligai, 800, Anna Salai,  
Chennai- 600002.**
2. **Kerala State Electricity Board,  
Vaidyuthi Bhavanam, Pattom,  
Thiruvananthapuram-695004.**
3. **Electricity Department,  
Government of Goa,  
Vidyuti Bhawan, Panaji, Goa-403001.**
4. **Electricity Department,  
Government of Pondicherry,  
Pondicherry-605001.**



5. **Eastern Power Distribution Company of Andhra Pradesh Limited,**  
P&T Colony, Seethmmadhara,  
Vishakhapatnam, Andhra Pradesh.
6. **Southern Power Distribution Company of Andhra Pradesh Limited,**  
Srinivasasa Kalyana Mandapam Backside,  
Tiruchanoor Road, Kesavayana, Gunta, Chittoor District,  
Tirupati- 517501 (Andhra Pradesh).
7. **Southern Power Distribution Company of Telangana Limited,**  
6-1-50, Corporate Office, Mint Compound,  
Hyderabad- 500063 (Telangana).
8. **Northern Power Distribution Company of Telangana Limited,**  
H. No. 2-5-3 1/2, Vidyut Bhawan, Corporate Office,  
Nakkal Gutta, Hanamkonda, Warangal- 506001 (Telangana).
9. **Bangalore Electricity Supply Company Limited,**  
Corporate Office, K.R. Circle, Bangalore- 560001 (Karnataka).
10. **Gulbarga Electricity Supply Company Limited,**  
Station Main Road, Gulbarga, Karnataka.
11. **Hubli Electricity Supply Company Limited,**  
Navanagar, PB Road, Hubli, Karnataka.
12. **MESCOM Corporate Office,**  
Paradigm Plaza, AB Shetty Circle,  
Mangalore- 575001, Karnataka.
13. **Chamundeswari Electricity Supply Corporation Limited,**  
#927, LJ Avenue, Ground Floor, New Kantharaj Urs Road,  
Saraswatipuram, Mysore- 570009 (Karnataka).
14. **Greenko AP01 IREP Private Limited,**  
Second Floor, Block D, Plot No.13, Hitech City Layout,  
Madhapur, Hyderabad- 500081.
15. **Central Transmission Utility of India Limited,**  
Saudamini, Plot No. 02, Sector-29,  
Gurugram-122001. ... Respondent(s)

**Parties Present** : Shri S. Vallinayangam, Advocate, TANGEDCO  
Shri Zafrul Hassan, PGCIL  
Shri Angaru Naresh Kumar, PGCIL



Shri Vijay G., PGCIL  
Shri Ranjeet Pandey, PGCIL  
Ms. Ashish Alankar, PGCIL

## **ORDER**

The Petitioner, Power Grid Corporation of India Limited (PGCIL), has filed the instant Petition for the determination of the transmission tariff from the proposed date of commercial operation (COD) to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of Asset-1: 1 no. 400 kV Bay at 765/400 kV Kurnool (New) Sub-station under implementation of Kurnool (New) Sub-station (hereinafter referred to as “the transmission asset”) in the Southern Region.

2. The Petitioner has made the following prayers in the Petition:

- “1) Approve the proposed DOCO as 24.10.2023 for Asset-1 under clause 5(2) of Tariff Regulation, 2019 as explained at para 6.2.*
- 2) Condone the delay in completion of subject asset on merit of the same being out of the control of Petitioner in line with CERC Regulations’2019 22(2) “uncontrollable factors” and approve the tariff as claimed.*
- 3) Admit the capital cost as claimed in the Petition and approve the Additional Capitalization incurred/projected to be incurred.*
- 4) Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition, as per para –8.4 above.*
- 5) Allow the Petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2019 as per para 8 above for respective block.*
- 6) Approve the reimbursement of expenditure by the beneficiaries towards Petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure ( if any) in relation to the filing of Petition.*



- 7) *Allow the Petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.*
- 8) *Allow the petitioner to bill and adjust the impact on Interest on Loan due to a change in the Interest rate on account of the floating rate of interest applicable during the 2019-24 period, if any, from the beneficiaries.*
- 9) *Allow the Petitioner to claim the overall security expenses and consequential IOWC on that security expenses separately.*
- 10) *Allow the petitioner to claim the capital spares at the end of tariff block as per actual.*
- 11) *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries.*
- 12) *Allow interim tariff in accordance with Regulation 10 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.*
- 13) *Allow Final tariff in accordance with Regulation 10 (5) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.*

*and pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice."*

### **Background**

3. The brief facts of the case are as under:

- (i) The Investment Approval (IA) for the transmission asset was accorded by the Competent Authority of the Petitioner's company on 3.1.2022 and circulated vide Memorandum Ref. No.: C/CP/PA2122-10-0AM-IA026 dated 4.1.2022 at an estimated cost of ₹437.00 lakh, including an Interest During Construction (IDC) of ₹11.00 lakh, based on the September 2021 price level with a completion schedule by October 2022 (i.e., 1.11.2022).
- (ii) The scope of work as per the IA is as under:



**Sub-station:**

- a) 765/400 kV Kurnool (New) Sub-station Extension:
- i. 1 No. line 400 kV Bay (AIS)
- (iii) The implementation of the transmission asset for the termination of Greenko AP01 IREP Private Limited-Kurnool (New) 400 kV S/C line was discussed in the 49<sup>th</sup> Southern Region constituents meeting of CTU held on 29.12.2020. Further, the subject scheme was discussed and agreed to be implemented under ISTS in the 3<sup>rd</sup> SRPC (TP) meeting held on 24.8.2021. Subsequently, vide OM ref. no. C/CTU/AI/00/1STCCTP dated 16.11.2021, CTUIL has allocated “1 No. 400 kV Bay at 765/400 kV Kurnool (New) Sub-station” scheme to the Petitioner for implementation under the Regulated Tariff Mechanism (RTM).
- (iv) CTUIL, vide letter dated 19.4.2022, had informed the Petitioner that the schedule for 400 kV Bay completion works at Kurnool Sub-station shall stand revised from October 2022 to September 2023.
- (v) Further, the Revised Cost Estimate (RCE) was approved by the Committee on Investment on Projects (CoIP) in its 143<sup>rd</sup> meeting held on 26.7.2024 and communicated vide the Memorandum Ref. No.: C/CP/PA2425-05-0F-RCE005 dated 7.8.2024 at an estimated cost of ₹679.00 lakh, including an IDC of ₹0.30 lakh, with the commissioning schedule of October 2023.
- (vi) The details of the scheduled date of commercial operation (SCOD) as per IA, SCOD as per RCE and the date of commercial operation (COD) claimed by the Petitioner for the transmission asset are as under:



<b>SCOD as per IA dated 4.1.2022</b>	<b>Revised SCOD as per CTUIL letter dated 19.4.2022</b>	<b>COD claimed under Regulation 5(2) of the 2019 Tariff Regulations</b>
1.11.2022	1.10.2023	24.10.2023

(vii) The entire transmission asset has been put into commercial operation.

4. The Respondents, mainly beneficiaries of the Southern Region, are Distribution Licensees, Transmission Licensees and Power Departments, which are procuring transmission services from the Petitioner.

5. The Petitioner has served a copy of the Petition on the Respondents, and notice regarding the filing of this Petition has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notice published in the newspapers by the Petitioner. Respondent No. 1, Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), now known as Tamil Nadu Power Distribution Corporation Limited (TNPDC), has filed its written submissions dated 16.7.2025 and has raised the issues of cost variation and time overrun. Respondent No. 2, Kerala State Electricity Board Limited (KSEBL), has filed its written submissions dated 27.12.2024 and has raised the issues of the proposed COD, cost variation, Additional Capital Expenditure (ACE), time overrun and sharing of transmission charges. The Petitioner has filed its rejoinder to the written submissions of TNPDC and KSEBL vide affidavits dated 4.8.2025 and 9.1.2025, respectively. The other Respondents, including Greenko AP01 IREP Private Limited, did not file a reply in the matter despite the opportunity given from time to time. The issues raised by the Respondents and the clarifications given by the Petitioner have been considered in detail in the succeeding paragraphs of this order.



6. The hearing in the matter was held on 22.7.2025, and the order was reserved. This order is being issued considering the submissions made by the Petitioner in the Petition vide affidavit dated 20.3.2024, the Petitioner's affidavits dated 12.9.2024, 6.12.2024, and 10.2.2025 and written submissions filed by TNPDC and KSEBL dated 16.7.2025 and 27.12.2024 and CTUIL's reply to the RoP dated 22.7.2025 vide affidavit dated 12.9.2025.

7. Having heard the Petitioner's representatives and the learned counsels for the Petitioner and Respondents and having perused the material on record, we proceed to dispose of the Petition.

#### **DETERMINATION OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD**

8. The Petitioner has claimed the following transmission charges for the transmission asset:

(₹ in lakh)	
Particulars	2023-24 (pro-rata for 160 days)
Depreciation	11.53
Interest on Loan	8.31
Return on Equity	8.89
Interest on Working Capital	1.13
O&M Expenses	16.14
<b>Total AFC</b>	<b>46.00</b>

9. The Petitioner has claimed the following Interest on Working Capital (IWC) for the transmission asset:

(₹ in lakh)	
Particulars	2023-24 (pro-rata for 160 days)
O&M Expenses	3.08
Maintenance Spares	5.54
Receivables	12.94
<b>Total Working Capital</b>	<b>21.56</b>
Rate of Interest (in %)	12.00
<b>Interest on Working Capital</b>	<b>2.59</b>
<b>Pro rata Interest on Working Capital</b>	<b>1.13</b>



### **Date of Commercial Operation (“COD”)**

10. The Petitioner has claimed the COD of the transmission asset as 24.10.2023 under Regulation 5(2) of the 2019 Tariff Regulations as the power flow in said 400 kV Bay could not be achieved due to the non-readiness of the associated downstream transmission line i.e. 400 kV S/C Greenko AP01 IREP Private Limited - Kurnool (New) transmission line, being executed by M/s. Greenko AP01 IREP Private Limited (herein referred to as “Greenko”).

11. In support of the proposed COD, the Petitioner has submitted a copy of the CEA Energisation Certificate, RLDC Charging Certificate, and Notice served on M/s. Greenko AP01 IREP Private Limited, Self-declaration COD Certificate and CMD Certificate.

12. In compliance with the Commission’s query regarding the CEA Energisation Certificate, the Petitioner, vide affidavit dated 6.12.2024, has submitted a copy of the final CEA Energisation Certificate and Inspection Report of the CEA. The Petitioner has further submitted that the CEA vide Email/Letter dated 30.9.2023, has issued provisional clearance for charging the transmission asset after scrutinising all submitted documents, including Test Reports, Pre-commissioning checks, etc. The provisional clearance mentioned that the physical inspection of the above equipment shall be carried out during the next periodical inspection. The Petitioner had undertaken commissioning activities and charged the transmission asset on 22.10.2023 and completed the trial operation on 23.10.2023, on no-load due to the delay in the readiness of the interconnected transmission system of the generator. Meanwhile, the CEA, vide its inspection report dated 17.10.2023, had asked for compliance with certain general things, such as



identification boards, ensuring interlocks, etc. The Petitioner vide letter dated 24.1.2024 had submitted the compliance report for the same. The CEA has issued final approval for energisation vide letter dated 30.1.2024.

13. The Petitioner has further submitted that though the observations of the CEA in the inspection report had already been complied with before charging the transmission asset, the compliance report with respect to the CEA inspection report dated 17.10.2023 was submitted late, i.e., on 24.1.2024, due to inadvertent oversight, and this delay was totally unintentional. The Petitioner has requested that the COD be approved as 24.10.2023 for the transmission asset under Regulation 5(2) of the 2019 Tariff Regulations.

14. The Petitioner vide affidavit dated 10.2.2025 has also submitted a copy of the Certificate issued by CTUIL towards the completion of the transmission asset as per IEGC-2023.

15. KSEBL has submitted that the CEA clearance for energisation was received on 30.9.2023, and the transmission asset was charged on 24.10.2023. The reasons cited by the Petitioner for the delay are purely attributed to the Petitioner and, therefore, requested that the delay of 23 days beyond the revised SCOD (1.10.2023) may not be allowed to the Petitioner.

16. In response, the Petitioner has submitted that although the construction works were affected due to the aforesaid uncontrollable factors, the transmission asset was ready and the CEA clearance was received for the same on 30.9.2023. Upon receipt of



the CEA clearance, testing and commissioning activities were undertaken and the transmission asset was commissioned with the proposed COD w.e.f. 24.10.2023 with a marginal delay of 23 days.

17. We have considered the Petitioner's and KSEBL's submissions and perused the documents placed on record.

18. Regulation 5 of the 2019 Tariff Regulations provides as under:

***"5. Date of Commercial Operation: (1) The date of commercial operation of a generating station or unit thereof or a transmission system or element thereof and associated communication system shall be determined in accordance with the provisions of the Grid Code.***

***(2) In case the transmission system or element thereof executed by a transmission licensee is ready for commercial operation but the interconnected generating station or the transmission system of other transmission licensee as per the agreed project implementation schedule is not ready for commercial operation, the transmission licensee may file petition before the Commission for approval of the date of commercial operation of such transmission system or element thereof:***

***Provided that the transmission licensee seeking the approval of the date of commercial operation under this clause shall give prior notice of at least one month, to the generating company or the other transmission licensee and the long term customers of its transmission system, as the case may be, regarding the date of commercial operation:***

***Provided further that the transmission licensee seeking the approval of the date of commercial operation of the transmission system under this clause shall be required to submit the following documents along with the petition:***

- (a) Energisation certificate issued by the Regional Electrical Inspector under Central Electricity Authority;***
- (b) Trial operation certificate issued by the concerned RLDC for charging element with or without electrical load;***
- (c) Implementation Agreement, if any, executed by the parties;***
- (d) Minutes of the coordination meetings or related correspondences regarding the monitoring of the progress of the generating station and transmission systems;***
- (e) Notice issued by the transmission licensee as per the first proviso under this clause and the response;***
- (f) Certificate of the CEO or MD of the company regarding the completion of the transmission system including associated communication system in all respects.***

