



भारत सरकार

Government of India

विद्युत मंत्रालय

Ministry of Power

केन्द्रीय विद्युत प्राधिकरण

Central Electricity Authority

विद्युत प्रणाली योजना एवं मूल्यांकन-I प्रभाग

Power System Planning & Appraisal-I Division

No. 100/1/EC (37) 2016-PSP&PA-I/ 1065-1074

Dated: 15th September, 2017

To

1.	Member (Economic & Commercial), Central Electricity Authority Sewa Bhawan, R.K. Puram, New Delhi – 110 066.	2.	Joint Secretary (Transmission) Ministry of Power Shram Shakti Bhawan New Delhi-110001
3.	Adviser (Energy), NITI Ayog, Parliament Street, New Delhi – 110 001.	4.	Director (Projects), Power Grid Saudamini, Plot No. 2, Sector-29, Gurgaon – 122 001.
5.	Shri V. V. R. K. Rao Former Chairperson, CEA B-9/C, DDA Flats, Maya Puri, New Delhi -110 064.	6.	Shri Ravinder Former Member (Power System), CEA 147, Bhagirathi Apartment, Sector-9, Rohini, Delhi – 110 085.

Subject: 37th Meeting of the Empowered Committee on Transmission – Additional Agenda
Sir,

The 37th meeting of the Empowered Committee on Transmission, is scheduled to be held on **20th September, 2017 (Wednesday) at 3:00 PM** in the Conference Room of CEA, 6th Floor, Sewa Bhawan, R.K. Puram, New Delhi.

Agenda of the meeting has already been circulated vide our letter of even no. dated 12.9.2017. Additional agenda of the meeting is enclosed herewith. The same is also uploaded on CEA website.

Yours faithfully,

(Ravinder Gupta)
Chief Engineer &

Member Secretary (Empowered Committee)

Copy to:

- (i) COO (CTU), POWERGRID, 'Saudamini', Plot No.2, Sector – 29, Gurgaon – 122 001 (Haryana)
- (ii) CEO, RECTPCL, 12-21, Upper Ground Floor, Antriksh Bhawan, 22, KG Marg, New Delhi – 110 001.
- (iii) CEO, PFC Consulting Ltd, First Floor, Urjanidhi, 1 Barakhmba Lane, New Delhi -110001 (Fax- 011-2345617)
- (iv) Chief Engineer (PSPA-I),CEA

Additional Agenda for the 37th meeting of the Empowered Committee on Transmission

Date and Time : 20th September 2017, 1500hrs

Venue: Conference Room of CEA, 2nd Floor, Sewa Bhawan, R.K. Puram, New Delhi

A.1 Apportionment of transmission charges among individual transmission elements of Power Grid N M Transmission Limited (PNMTL) which was approved as an integrated system to be executed through TBCB.

Empowered Committee on Transmission in its 25th meeting held on February 01, 2011 recommended "Transmission System Associated with IPPs of Nagapattinam/Cuddalore Area – Package A" for implementation through Tariff Based Competitive Bidding route. Ministry of Power vide its notification dated March 15, 2011 notified PFC Consulting Ltd as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP). The transmission system comprises the following elements, namely:

- (a) Nagapattinam Pooling Station - Salem 765 kV D/C transmission line, and
- (b) Salem - Madhugiri 765 kV S/C transmission line.

Based on the competitive bidding, Power Grid Corporation of India Limited was selected as the successful bidder. After completing all requirements in terms of the RfP, POWERGRID acquired 100% equity holdings in Nagapattinam-Madhugiri Transmission Company Limited on March 29, 2012 and was renamed as POWERGRID NM Transmission Limited (PNMTL), a 100% wholly owned subsidiary of Power Grid Corporation Of India Limited. Thereafter, there was suspension of Environmental clearance by National Green Tribunal for the sole LTTC i.e, IL&FS, Tamil Nadu Company Ltd. Subsequently, almost after a year the Commission in its order dated May 9, 2013 has adopted the tariff of the transmission system under Section 63 of the Electricity Act, 2003 and in order dated June 20, 2013 has granted transmission licence to the PNMTL for inter-State transmission licence of electricity. However, while granting the inter-State transmission licence, the Commission did not consider the issue of time and cost owing to delay in grant of the licence.

Vide Order dated 16.04.2014, CERC directed that in a competitively bid project, upfront revision of tariff based on the cost escalation indices as claimed by the applicant cannot be permitted as it will violate the sanctity of the competitive bidding. However, CERC stated that Transmission Service Provider i.e., the Applicant cannot be made to suffer on account of reasons which are beyond its control and that the Commission may be approached for the same and further directed the applicant to go ahead with execution of the project. Thus the clearance to go ahead with the project was given by CERC after a period of more than 2 years from application for grant of license.

During the intervening period there was substantial changes in Right of way issues along the route and notwithstanding the resolution of the time and cost issue and based on the assurance of the Commission that the matter of cost would be taken up the project procurement activities were commenced. Awards for both the transmission elements viz., 765kV D/C Nagapattinam – Salem and 765kV S/C Salem – Madhugiri transmission lines have been taken up simultaneously and construction was taken up in the right earnest.

With continuous efforts the 765 kV D/C Nagapattinam- Salem transmission line was completed, charged and declared commercial operation on 23.10.2016. However, Salem-

Madhugiri transmission line is yet to be commissioned due to severe Right of Way (RoW) issues. All procurement for the Salem – Madhugiri line is completed and the construction works are being repeatedly hampered owing to severe RoW problems. Owing to the seriousness of the Right of way problems the matter has been referred to the Hon'ble Prime Minister monitoring cell "Pragati" so as to expedite the project.

The bidding for the project was under the tariff based competitive bidding scheme and this was one of the initial projects and share of transmission charges for each element was not provided. Apportionment of transmission charges, payment for transmission charges for 765 kV D/C Nagapattinam- Salem transmission line is required for realizing payment for the transmission asset which is being used.

It is to be stated here that CERC Order 284/ADP/2015 dated 28.01.2015 which interalia states that: "In case of an element which can be put to use without the commissioning of the pre-required asset, the same can be commissioned, if the CEA certifies that the commissioning of the asset will be in the interest of the safety and security of the grid and the asset can be put to useful service after its commissioning."

Accordingly, the matter was taken up with CEA. CEA vide letter dated 26th December 2016, has given their consent for completion of both the lines independently.

In view of above, PNMTL filed petition No. 62/MP/2017 before CERC seeking approval of methodology for apportionment of transmission charges between 765 kV D/C Nagapattinam-Salem and 765 kV S/C Salem-Madhugiri transmission lines.

CERC vide Record of Proceeding (RoP) on the hearing dated 09.05.2017 sought CEA to assist the Commission on the methodology of apportionment of transmission charges between 765 kV D/C Nagapattinam-Salem transmission line and Salem Madhugiri transmission lines in the next date of hearing. Thereafter, vide RoP on the hearing dated 18.07.2017, CERC requested CEA to certify by 22.8.2017, whether the commissioning of the asset will be in the interest of safety and security of the grid and whether the asset can be put to useful service after its commissioning.

CERC in the subsequent RoP on the hearing dated 29.8.2017 (copy enclosed) has requested the Empowered Committee on Transmission to consider whether a transmission project which was approved as an integrated system to be executed through TBCB can be segregated time-wise for execution and the tariff can be proportionately apportioned.

Members may deliberate.

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 62/MP/2017

- Subject : Petition under Section 63 of the Electricity Act, 2003 for adoption of transmission charges with respect to the transmission system established by Power Grid N M Transmission Limited (a 100% wholly owned subsidiary of Power Grid Corporation Of India Limited) and under Section 14 of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of transmission licence and other related matters) Regulations, 2009 with respect to transmission licence to Powergrid N M Transmission Limited.
- Date of hearing : 29.8.2017
- Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member
- Petitioner : Power Grid NM Transmission Limited.
- Respondents : IL & FS Tamil Nadu Power Company Limited and Others.
- Parties present : Shri M.G. Ramachandran, Advocate, PGTL
Ms. Ranjitha Ramachandran, Advocate, PGTL
Ms. Anushree Bardhan, Advocate, PGTL
Shri V.C. Shekhar, PGTL
Shri B. Vamsi, PGTL
Ms. Manju Gupta, PGTL
Shri S.C. Mishra, ITPCL
Shri Amit R. Sah, ITPCL
Shri V.C. Dua, ITPCL
Shri Sanjay Nayak, PFCCL
Shri Manoj Kumar Aggarwal, PFCCL
Shri N. C. Gupta, PFCCL

Record of Proceedings

Learned counsel for the petitioner submitted that as per the Commission's directions dated 18.7.2017, the petitioner has impleaded PFC Consulting Limited as a party to the petition and has filed an amended memo of parties to that effect. Learned

counsel further submitted that as per the Commission's direction, the petitioner has filed its submissions on maintainability of the petition. However, no reply has been filed by the respondents, so far. Learned counsel requested the Commission to give last opportunity to the respondents to file their submissions.

2. After hearing the learned counsel for the petitioner, the Commission directed the respondents to file their replies by 12.9.2017 with an advance copy to the petitioner, who may file its rejoinder, if any, by 26.9.2017. The Commission directed that due date of filing the replies and rejoinder should be strictly complied with. No extension shall be granted on that account.

3. The Commission requested CEA to clarify by 12.9.2017, whether an element of an integrated project can achieve COD without the whole project having been completed and whether the said element can be put to useful service in the interest of safety and security of the grid as claimed by the petitioner.

4. The Commission requested the Empowerment Committee on Transmission to consider whether a transmission project which was approved as an integrated system to be executed through TBCB can be segregated time-wise for execution and the tariff can be proportionately apportioned.

5. The petition shall be listed for hearing on 12.10.2017.

By order of the Commission

**Sd/-
(T. Rout)
Chief (Legal)**