

Telephone No. 080 22243926
Fax No. 080 22110134
Website: www.kptcl.com



Email ID: dgmtkptcl@rediffmail.com

KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

CIN No. U40109KA1999SGC025521

KPTCL/B28(a)/32543/2012-13

Corporate Office
Kaveri Bhavan, K.G Road,
Bengaluru-560 009

- Sub :** Sparing Idle/Spare KPTCL Assets/Equipment for HT/EHT/ Railways/ IPP.
- Ref :**
1. Proceedings of 82nd Meeting of Board of Directors of KPTCL held on 23.06.2012.
 2. Board Order No. KPTCL/B28(a)/32543/12-13 Dtd: 17.08.2012.
 3. Board Order No.KPTCL/B28(a)/32543/12-13 dated 02.08.2019.
 4. Proceedings of 114th Meeting of Board of Directors of KPTCL held on 06-03-2019 vide subject No. 114/17.
 5. Proceedings of 119th Meeting of Board of Directors of KPTCL held on 11-03-2020 vide subject No. 119/29.
 6. I.O. Note No.KPTCL/B37/119th BM/2020-21/18-23 Dtd: 29.04.2020 of the Company Secretary, KPTCL.
 7. Note dated: 16.05.2020 of O/o CEE(P&C) approved by the Managing Director, KPTCL on 16.09.2020.

PREAMBLE:

The proposal to address the issue of HT/EHT Consumers /Railways/IPP requesting KPTCL to spare idle transmission lines/cross arms/Terminal Bays/Equipment/11kV Switchgear etc., to draw transmission line from HT/EHT installation point/Railways TSS/IPP pooling station to KPTCL sub station on feasibility and judicious assessment was placed before the 119th Meeting of the Board of Directors of KPTCL held on 11.03.2020 vide subject No.119/29. Earlier, the similar proposal to facilitate Generators for utilization of idle/spare KPTCL assets for construction of dedicated transmission lines/Terminal bay was placed in the 114th Meeting of Board of Directors of KPTCL held on 06.03.2019 vide subject No.114/17. Hence, a Board Order dated 02.08.2019 cited under reference(3) was issued as per the Board resolution for Sparing Idle/Spare KPTCL assets such as Transmission line/ Terminal bays/ 11kV Switchgear etc to Generator based on recommendation of the respective Chief Engineers (Elec) of Transmission Zones.

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Now, in many cases HT/EHT consumers/ Railways /IPP are facing severe RoW problems for establishing Transmission Line from their HT/EHT/IPP installation premises to KPTCL Sub-station. HT/EHT consumers/ Railways /IPP have requested KPTCL to spare idle Transmission lines/ cross arms/Terminal Bays/ Equipment/11kV Switchgear etc., to draw transmission line from HT/EHT installation point/ Railways TSS/IPP pooling station to KPTCL sub-station. The subject proposal was placed in the 119th Meeting of the Board of Directors of KPTCL held on 11.03.2020. Board was appraised about the proposal to collect the cost towards idle/spare KPTCL assets to HT /EHT consumer/Railways/IPP on payment of One time non-refundable charges based on estimate prepared as per prevailing latest SR towards asset spared on Case to Case basis.

The Board noted that the proposal also provides to collect the cost towards Idle/Spare KPTCL assets / Equipment to HT/EHT consumer/ Railways /IPP on payment of non-refundable charges based on estimate prepared as per prevailing latest SR & shall also bear all applicable charges, statutory payments etc., if any towards asset spared. The system also looks at dedicated facility being provided to an HT/EHT consumer/ Railways /IPP. If the facility is dedicated, O&M charges are proposed to be collected for the respective case annually as per KERC Order dated 14.12.2018, the O & M expenses @ 1.5% of the Capital Cost of infrastructure with an annual escalation of 5.72% year on year wherever applicable as per KERC Order.

The Board further directed to consider prevailing Guidance value of the land instead of current market value of the Land and suggested that the existing Land Sparring Committee shall also consider the applicable parameters stipulated during 82nd Board meeting held on 23.06.2012 along with the present recommendation.

After detailed discussion, Board accorded approval for collection of One time non-refundable charges from the HT/EHT Consumers /Railways/IPP for the asset spared based on the estimate prepared as per prevailing SR by respective Chief Engineers (Elec) of Transmission Zones. Further, for judicious usage of KPTCL Assets/Equipment, Board directed that proposals of sparing KPTCL Assets/Equipment to Generators shall be placed before the Committee formed vide C.O. No KPTCL/B28(a)/ 32543/12-13 dated 17.08.2012. The Committee shall also consider the applicable parameters stipulated during 82nd Board meeting held on 23.06.2012 along with

the present recommendation. Committee shall take decision duly considering the prevailing perspective Plan of KPTCL and possible need of assets in the years to come and can recommend the proposal of respective Chief Engineers (Elec) of Transmission Zones for sparing idle/spare assets such as Transmission lines/cross arms/Terminal Bays/Equipment/11kV Switchgear etc. to HT/EHT consumer/ Railways /IPP based on estimate prepared as per prevailing latest SR as one time non-refundable charges as specified and applicable in respective Cases. In view of the above, Board approved the subject proposal and directed to issue necessary orders accordingly.

Hence this order.

Order No.KPTCL/B28(a)/32543/12-13

Dated: 23.09.2020

Approval is hereby accorded for sparing Idle/ Spare KPTCL Assets/Equipment to HT/EHT Consumers /Railways/IPP subject to the following conditions:

1. For Sparing Idle/Spare KPTCL assets such as Transmission lines/cross arms/Terminal bays/Equipment/11kV Switchgear etc., to HT/EHT Consumers /Railways/IPP shall be based on recommendation of the respective Chief Engineers (Elec) of Transmission Zones.
2. The proposal of the respective Chief Engineers (Elec) of Transmission Zones shall be placed before the Land sparing Committee formed vide C.O No. KPTCL/B28(a)/32543/12-13 dated 17.08.2012.
3. The Committee shall consider the prevailing perspective Plan of KPTCL and possible need of Assets/Equipment in the years to come and can recommend the proposal of respective Chief Engineers (Elec) of Transmission Zones for Sparing Idle/Spare Assets/Equipment such as Transmission lines/ cross arms/Terminal Bays/ Equipment's/11kV Switchgear etc.,
4. The Committee's recommendation shall be placed before the Managing Director, KPTCL for approval.
5. After approval of Managing Director, KPTCL the respective Chief Engineers (Elec) of Transmission Zones shall collect charges for sparing the Assets/Equipment such as Transmission lines/ cross arms/Terminal Bays/ Equipment/11kV Switchgear etc. from

HT/EHT consumer/ Railways /IPP based on estimate prepared as per prevailing SR as one time non-refundable charges as specified and applicable in respective cases noted below;

- (1) **Case- A:** In case of existing KPTCL Transmission line with DC towers with SC line, one Idle cross arm is to be spared, then 50% of estimated charges prepared as per prevailing SR shall be collected. Estimate shall include Corridor & Land compensation based on current Guidance value.

In addition tree cut and crop cut compensation (if applicable @ 100% of the current rate), 50% of Forest clearance charges paid towards afforestation/ lease charges/ any charges paid to Forest Department at time of construction of line with 8% interest per annum from the date of commissioning of the original asset shall also be collected. Further, 50% of future lease charges if any payable to Forest Department as prevalent shall be collected along with PTCC charges/ Inspectorate charges as per current rate, etc as per KPTCL specifications.

- (2) **Case- B:** In case of existing KPTCL Transmission line with MC towers with DC line, one/two cross arm is to be spared, then 25% / 50% respectively of estimated charges prepared as per prevailing SR shall be collected. Estimate shall include Corridor & Land compensation based on current Guidance value.

In addition, tree cut and crop cut compensation (if applicable @ 100% of the current rate), 25% / 50% of Forest clearance charges paid towards afforestation/ lease charges/ any charges paid to Forest Department at time of construction of line with 8% interest per annum from the date of commissioning of the original asset. Further, 25% / 50% of future lease charges if any payable to Forest Department as prevalent shall be collected along with PTCC charges/ Inspectorate charges as per current rate, etc as per KPTCL specifications.

- (3) **Case- C:** In case of existing KPTCL Transmission SC/DC line corridor is to be spared for construction of MC line with MC Towers by HT/EHT Consumers /Railways /IPP and one/two circuit is to be spared to HT/EHT Consumers / IPP/ Railways, then entire charges proposed as per prevailing latest SR (including extra corridor & land cost and decommissioning of existing asset) shall be borne by HT/EHT Consumers /Railways /IPP under self-execution basis.

In addition, Corridor & Land compensation of existing line @ 25% of current Guidance value shall be paid if only one circuit on M/C line is spared or @ 50% of current Guidance value shall be paid if two circuits on M/C line are spared. 25% / 50% of Forest clearance charges paid towards afforestation/ lease charges/ any charges paid to forest department at time of construction of line with 8% interest per annum from the date of commissioning of the original asset. Further, 25% / 50% of future lease charges if any payable to forest department as prevalent shall be collected along with PTCC charges/ Inspectorate charges etc. as per current rate, as per KPTCL specifications.

In addition any incidental cost during execution of work (such as Tree/crop compensation, additional corridor compensation & statutory payments if any) has to be borne by the respective HT/EHT Consumer/ Railways /IPP.

- (4) **Case- D:** In case if equipment alone is specifically handed over by KPTCL on lease or sale basis, such transactions will be covered as 'Other Business of Transmission Licensee' under Section 41 of the Electricity Act 2003. It requires prior intimation to the Commission besides maintaining separate accounts for such transactions.
- 6) In respect of lines spared under Case A, B and C wherein there will be KPTCL line on the other circuit, then the entire line shall be maintained by KPTCL and the concerned Distribution Licensee /Railways/IPP has to execute an Agreement with KPTCL duly agreeing to pay annual O&M charges for maintenance of such lines (charges as per prevailing Orders of KERC). The standard format of agreement to be entered into between KPTCL & the Distribution Licensee including Railways/IPP in the matter of collection of O&M charges in respect of maintenance of the dedicated transmission line where concerned Distribution Licensee /Railways/IPP has given consent for such maintenance is available on KPTCL website.
- 7) Concerned Distribution Licensee / Railways/IPP have to agree for enabling KPTCL to carry out any maintenance/capital works on its Lines as and when required.

- 8) O&M charges shall not include spares/replacement of equipment etc., and if any spares are required, replacement has to be done at the cost of Distribution Licensee/ Railways /IPP.
- 9) HT/EHT consumer/ Railways /IPP shall bear all applicable charges & statutory payments if any.
- 10) HT/EHT Consumers/ Railways/IPP shall not sublet spared asset/ equipment / corridor.
- 11) A separate Agreement indicating the terms and conditions of sparing the KPTCL Asset/ Equipment needs to be entered with HT/EHT Consumer/ Railways /IPP. The format for the same will be issued separately.
- 12) Breach of conditions of agreement shall result in termination of agreement and KPTCL can take back spared asset/ equipment / corridor without any refund.

General Conditions to be followed while according approval for cases under A,B C & D;

- i. Assets would be spared for a maximum period of 30 years and can be renewed on similar basis for further period by collecting non-refundable charges based on the then prevailing Regulations as determined by Land Sparing Committee / appropriate Authority of KPTCL
- ii. For sparing of KPTCL Assets under **Case-A & Case-B**, the estimate shall be prepared as is done for KPTCL works vide Corporate Order No. KPTCL /B19/7625/86-87 dtd 15-06-2019 (Station/Line works). Separate estimate has to be prepared under DCW/Self execution basis for drawing the additional circuit on the KPTCL assets spared for the purpose of collection of DCW amount/supervision charges as the case may be.
- iii. In subsequent years, if KPTCL requires the services of spared asset, necessary modifications to spared assets can be made so that such assets can be used by both KPTCL as well as HT/EHT Consumers / Railways/IPP. Cost incurred for such modifications/additions to spared assets have to be borne by KPTCL. HT/EHT Consumers/ Railways/IPP are not eligible for any type of compensation during the period of modification/addition to spared asset.
- iv. **In respect of Case-C**, the estimate shall be prepared including decommissioning of existing assets as is done for KPTCL works. Separate estimate has to be prepared under DCW/Self execution basis for construction of MC line for the purpose of collection of DCW amount/supervision charges as the case may be. The released KPTCL asset shall be

handed over to KPTCL stores. The new asset created in the KPTCL corridor shall be the sole property of KPTCL and all the rights and controls over the newly constructed assets shall remain with KPTCL.

- v. If Assets constructed by HT/EHT Consumers/ Railways/IPP in the spared corridor, necessitates any augmentation, modifications to suit requirement of KPTCL that may arise subsequent to sparing of corridor, in such cases, cost incurred for such modifications/additions to assets in the spared corridor shall be borne by KPTCL. The HT/EHT Consumers/ Railways/IPP are not eligible for any type of compensation during the period of modification/addition to asset constructed in spared corridor.
- vi. **In respect of Case D**, Minimum and Maximum period of lease, computation of lease amount of the equipment/sale amount of the equipment, method of computation of annual lease rent would be determined by the Land Sparing Committee on case to case basis with the approval of the Managing Director, KPTCL.
- vii. In all the above cases, utilisation, modification, augmentation, deviation of leased / Spared equipment, deviation in already agreed utilization pattern shall be carried out by HT/EHT Consumers/ Railways/IPP with prior permission of KPTCL. The HT/EHT Consumers/ Railways/IPP shall not sublet the leased/spared assets/equipment. Violation of any agreed lease condition shall result in termination of lease and forfeiture of lease amount.
- viii. All rights and control over the leased/spared assets/equipment/corridor shall remain with KPTCL.
- ix. In case of compensation not paid in respect of Corridor/ Land, tree/crop cut, for construction of original KPTCL asset, the same shall not be included in the estimate. However, an undertaking shall be taken from the HT/EHT Consumers/ Railways/IPP to compensate KPTCL of any future liability. In case any compensation liability arises at a later date, the same shall be paid by the HT/EHT Consumers/ Railways/IPP.
- x. For sparing/leasing/sale of KPTCL asset, applicable GST shall be collected on the consideration received.
- xi. In all the above cases, to monitor the transactions, necessary registers and documents shall be maintained in the concerned Divisions.
- xii. In case the existing assets are hypothecated, such assets cannot be spared. However, if hypothecated assets are specifically required to be spared, the consent of the concerned Bank shall be obtained.

- xiii. For accounting treatment of amount realized from above cases, a separate Circular will be issued from FA(A&R) Office.
- xiv. Litigations that may arise during utilization of spared corridor needs to be resolved jointly by both KPTCL and HT/EHT Consumers / Railways/IPP.

This Order supersedes the earlier Board Order dated 02.08.2019 and shall come into effect immediately.


23/9/2020
Deputy General Manager (Tech.)
KPTCL

To:

The Secretary, KERC, No. 16 C-1, Miller Tank Bed Area, Vasanthanagara, Bengaluru-560 052.
All Managing Directors, BESCOM/HESCOM/CESC/MESCOM/GESCOM.
All Directors (Technical), BESCOM/HESCOM/CESC/MESCOM/GESCOM.
All Chief Engineers, Electricity, KPTCL.
All Financial Advisors, KPTCL.
All Superintending Engineer (Elec.), Works/Maintenance/W&M Circles, KPTCL.
All Executive Engineer (Elec.), W & M /Works/TL&SS Divisions, KPTCL.
The Company Secretary, KPTCL, Kaveri Bhavan, Bangalore.
SPS to Managing Director, Director (Finance), Director (Transmission), KPTCL to place it before the Directors for kind information.

Copy to:

The Superintending Engineer Elec., IT&MIS, KPTCL with a request to arrange to upload the order in KPTCL website.