

CENTRAL ELECTRICITY REGULATORY COMMISSION

Record of Proceedings

Petition No. 73/2010

Sub: Determination of final transmission tariff and projected additional capital expenditure to be incurred from the date of commercial operation to 31.3.2011 for (i) one circuit of 132 kV D/C Sewa-II-Hiranagar line along with associated bay at Hiranagar sub-station, and (ii) one circuit of 132 kV D/C Sewa-II-Mahanpur line along with associated bays at Mahanpur-sub-station under transmission system associated with SEWA-II HEP for the period 2004-09.

Date of hearing : 25.11.2010

Coram : Dr Pramod Deo, Chairperson
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member

Petitioner : Power Grid Corporation of India Ltd., Gurgaon

Respondents : RRVPNL, AVVNL, JVVNL, JdVVNL, HPSEB, PSEB, HPPC, J&K, UPPCL, DTL, HPSEB, Chandigarh Administration, UPCL, NCR, BSES Yamuna, BSES Rajdhani, NDPL, Chandigarh Admn., UPCL, NCR and NDMC.

Parties present : Shri U.K.Tyagi, PGCIL
Shri Rajeev Gupta, PGCIL
Shri Rakesh Prasad, PGCIL
Shri M.M.Mondal, PGCIL
Shri T.P.S.Bawa, Consultant, HPCC

This petition has been filed for approval of transmission tariff and projected additional capital expenditure to be incurred from the date of commercial operation till 31.3.2014 in respect of (i) one circuit of 132 kV D/C Sewa-II-Hiranagar line along with associated bay at Hiranagar sub-station, and (ii) one circuit of 132 kV D/C Sewa-II-Mahanpur line along with associated bays at Mahanpur-sub-station under transmission system

associated with SEWA-II HEP from the date of commercial operation to 31.3.20, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (herein after referred to as the 2009 regulations).

2. The representative of the petitioner submitted that as per the investment approval, the transmission assets were scheduled to be commissioned by May 2008. However, the transmission assets were declared under commercial w.e.f from 1.9.2009. Though, there was delay of 16 months due to Right of way problems, the cost of the project is within the approved apportioned cost. He also submitted that during the period from 1.9.2009 to 30.6.2010, only J&K would bear the cost and w.e.f. 1.7.2010 all the respondents would bear the cost.

3. The representative of the petitioner submitted that the reply to the petition has been received from the UPPCL and rejoinder thereto would be submitted within a week's time.

4. The representative of Haryana Power Purchase Centre (HPPC) submitted that in Form 5-B of the petition, the line lengths of 132 kV sewa II- Hiranagar and Sewa II- Mahanpur transmission line which were, 95 kms and 40 Kms as per the investment approval, have been reduced to 78.46 kms and 31.249 kms. respectively on execution. He further submitted that the justification for variation in actual cost from the estimated cost should be provided by the petitioner, in view of reduction in the length of the line.

5. The representative of HPPC further submitted that since the transmission lines were charged on 5.8.2009, the date of commercial operation of the transmission assets should be 5.8.2009 instead of 1.9.2009. In response, the representative of the petitioner submitted that as per the prevailing practice, the date of commercial operation was considered as the first day of the next month in which the element was charged.

6. The Commission directed the petitioner to clarify whether there was an indemnification agreement with generating company to take care of the additional cost on account of delay in commissioning of the transmission system due to delay in commissioning of the generation project (Sewa-II HEP). In response, the representative of the petitioner

submitted that the indemnification agreement with the concerned generating company prescribed the zero date as 1.6.2008. Due to unprecedented conditions, the petitioner could not complete the transmission lines by this date. However, conscious efforts were made by the petitioner to match the transmission lines with the generating station which was scheduled for commissioning in June 2010. On the request of the Govt. of J&K, the line was charged on 1.9.2009.

7. The representative of HPPC submitted that the petitioner could not meet the dead line of 1.6.2008, which was partly attributable to it and therefore, the petitioner should bear 50% of the cost implication due to delay.

8. After hearing the parties, the Commission directed the petitioner to submit the following information on affidavit latest by 20.12.2010 with an advance copy to the respondents:

(a) Details of Indemnification Agreement with the generating company along with the relevant documents;

(b) Details of cost implication on the project due to delay in commissioning of the transmission system. The contribution in this cost implications due to delay in commissioning of the generating station;

(c) Details of action envisaged to be taken regarding the recovery of cost implication due to delay as per indemnification agreement with the generating company; and

(d) The justification for the actual cost as well as the cost increase in some items as given in Form-5B, in spite of reduction of the line length 109.709 km. from estimated length of 135 km.

9. Subject to above, order in the petition was reserved.

sd/-
(T.Rout)
Joint Chief (Law)