

CENTRAL ELECTRICITY REGULATORY COMMISSION

Record of Proceedings

PETITION No. 88/2010

Sub: Miscellaneous petition seeking Regulatory approval for procurement of two mobile 400/220 kV sub-station for Northern Region beneficiaries and determination of tariff in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009.

Date of hearing : 13.5.2010

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

Petitioner : Power Grid Corporation of India Ltd., Gurgaon

Respondents : Bihar State Electricity Board, Patna & Others

Parties present : Shri U.K.Tyagi, PGCIL
Dr. S.K.Agarwal, PGCIL
Shri Kasif Usman, PGCIL
Shri Manish Garg, UPPCL

Through this petition, Power Grid Corporation of India Limited has prayed to accord approval for procurement of two mobile 400/220kV sub-stations for Northern Region beneficiaries at an estimated total cost of Rs. 238.2 crores (@ Rs. 119.1 crore each unit, taxes and duties extra) and O&M as per para 3.1.3 of the petition.

2. The representative of the petitioner submitted that the present petition was filed in order to meet the contingency requirement of a sub-station in case of failure of sub-station due to natural disaster or sabotage etc. In this regard, the petitioner relied upon letter dated 18.9.2009 from National Disaster Management Authority (NDMA) received by the petitioner through Ministry of Power (MoP). It was stated that the proposed procurement was in pursuance of the said letter and to mitigate the effect of any disaster causing damage to any sub-station. The representative of the petitioner made a brief presentation about the requirement and advantage of the mobile sub-station for which the approval was being sought.

3. On the query of the Commission as to whether the proposed procurement has been recommended by the disaster Management Board under MoP, the representative of the petitioner replied in the negative. As regards the query of the Commission about the requirement of spare transformers, the representative of the petitioner stated that they anticipated the requirement of 5 spare transformers for five regions. The proposed 2 mobile transformers are in addition to the above to meet the exigencies in Northern Region, where quick restoration was needed.

4. The representative of the UPPCL enquired whether these sub-stations proposed to be procured would be available for use by the beneficiaries of the Northern Region also. He further submitted that the purpose of the procurement should be either to mitigate disaster or to facilitate better maintenance of the system by the petitioner. He emphasized that if it is used for system maintenance purpose, the petitioner would be benefited by virtue of increased availability of the system. He suggested that the two objectives should be dealt with separately. In response, the representative of the petitioner stated that if the procurement was funded from the UI pool account, then it would be available for use by constituent State utilities also.

5. On a further query by the Commission as to whether the proposal was discussed in the RPC meetings, the petitioner replied in the negative.

6. On a specific query by the Commission about modality for determination of tariff and recovery of expenditure of the proposed procurement, the representative of the petitioner stated that in the present petition, the recovery was proposed to be made in accordance with the provision of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009. He further submitted that alternatively, the proposed procurement scheme may be funded through surplus UI pool. In reply to the query of the Commission as to how the Emergency Restoration System (ERS) was being billed, representative of the petitioner clarified that the same was procured as part of a large project and was being billed accordingly. The Commission observed that this could also be a way for procurement of mobile sub-stations.

7. The Commission directed the petitioner to come up with a concrete proposal, after discussion in the RPC, since the States would be concerned in case of either of the alternatives. The representative of the petitioner sought permission to file an amended petition to submit a concrete proposal.

8. The Commission allowed the petitioner to file the amended petition after serving the copies thereof on the beneficiary States.

9. The next date of hearing in the matter will be separately notified.

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