

**Central Electricity Regulatory Commission
New Delhi**

RECORD OF PROCEEDINGS

Petition No. 305/2010

Subject : Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and CERC (Terms and Conditions of Tariff Regulations) 1999 for determination of transmission Tariff from 1.4.2009 to 31.3.2014 for Replacement of Insulators in for and pollution affected stretches of Polymer (Composite long rod) Insulators in Northern Region (DOCO: 1.1.2010) for tariff block period in Northern Region.

Date of Hearing : 1/11/2011

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

Petitioner : PGCIL, New Delhi

Respondents : RRVPNL & 16 others.

Parties present : Shri S.B. Upadhyay, Advocate for PGCIL
Shri S.S. Raju, PGCIL
Shri M.M. Mondal, PGCIL
Shri Prashant, PGCIL
Shri Rajeev Gupta, PGCIL
Shri Rajeev Kumar, PGCIL
Shri M.M. Patnaik, PGCIL

The learned counsel for the petitioner submitted that this petition was filed under compelling circumstances. In 2008 frequent trippings were noticed in the Northern Region and in the meeting conducted by the Secretary, Ministry of Power and in various other meetings the petitioner was asked to first analyse the causes for frequent tripping and find out remedial measures. After investigation it was found that growing industrial pollution and other factors like, fog, etc are responsible for frequent tripping. It was decided to replace the old insulators with Polymer Insulators and this was agreed and sanctions were approved by the Ministry and the CEA and the beneficiaries also agreed for replacement of insulators. He further submitted that insulators were replaced in 47 lines. Tariff petitions for 12

lines have been filed out of which tariff order of 8 lines have been issued. This petition has been filed as a standalone petition so that in principle a decision could be taken.

2. The Commission observed that tariff is allowed for transmission line or sub-station and there is no provision for separate billing for insulators. That a combined petition cannot be filed for all the replaced insulators as it would affect all the beneficiaries in the country under the new PoC charges. Replying to the Commission's query, the learned counsel for the petitioner submitted that a single petition was filed for all the 47 lines to avoid multiplicity of proceedings. It was also submitted that in an earlier petition regarding Special Energy Meters, the Commission allowed a combined petition. The learned counsel referred to Order 2, Rule 5 of the CPC regarding 'joinder of causes of action' and submitted that transmission lines having same cause of action can be joined in one petition to avoid multiplicity of petitions.

3. Replying to a query, the learned counsel for the petitioner submitted that the old porcelain insulators are not decapitalised since these insulators have balance useful life. He further submitted that replaced insulators are already used in the non-polluted areas in the North Regions and if the remaining insulators are used in other regions, their written down value would be credited to the respective beneficiaries.

4. The representative of the petitioner submitted that out of 16 lakh insulators that are dismantled, 5 lakh insulators have been diverted to O&M in other than the NR and their written down value was passed on to the beneficiaries and 8 lakh old insulators are going to be used in the NR. The Commission directed the petitioner to submit the line-wise details.

5. To a query of the Commission, whether the expenditure claimed in the instant petition for replacement of insulators have been included in the POC charges to be recovered from the beneficiaries, the representative of the petitioner replied in negative. The Commission directed that no recovery should be made unless the tariff is approved by the Commission and directed the petitioner to clarify the actual position.

6. The Commission observed that tariff is allowed for individual transmission line and hence line-wise details should be provided by the petitioner. The Commission also observed that notices have to be issued to the beneficiaries line-wise and hence line-wise details are required to be filed.

7. The petitioner was directed to submit the following information on affidavit:-

- (a) Line-wise accumulated depreciation associated with the de-capitalised insulators up to the date of de-capitalisation and their original cost.
- (b) The audited figures corresponding to the expenditure incurred towards the polymer insulators.
- (c) Actual funding pattern for additional capitalisation.

8. The petition shall be listed for hearing on 22.12.2011.

(T. Rout)
Joint Chief (Law)
15.11.2011