

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 58/2011

Sub: Petition for determination of transmission tariff for the period 2009-14 for LILO of Vemagiri-Gajuwaka 400 kV D/C line at Simhadari-II TPS under Transmission System associated with Simhadari-II Generation project in Southern Region.

Date of hearing : 28.6.2011

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

Petitioner : Power Grid Corporation of India Ltd., Gurgaon

Respondents : Tamil Nadu Electricity Board and Others

Parties present : 1. Shri Rakesh Prasad, PGCIL
2. Shri M.M Mondal, PGCIL
3. Shri Rajeev Gupta, PGCIL

Record of Proceedings

This petition has been filed by the petitioner, Power Grid Corporation of India Limited for determination of transmission tariff for LILO of Vemagiri - Gajuwaka 400 kV D/C line at Simhadari-II TPS under Transmission System associated with Simhadari-II Generation project in in Southern Region for period from anticipated date of commercial operation to 31.3.2014, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as the 2009 regulations).

2. The Commission enquired from the petitioner the basis of the claim for additional 0.5% Return on Equity (RoE) for the subject transmission line when no time line has been specified in the 2009 regulations for commissioning of Loop in Loop out (LILO) of transmission line. In response, the representative of the petitioner submitted that LILO is full-fledged transmission line, though the nomenclature used is due to nature of work. All the activities of tower foundation, tower erection and conductor stringing are involved for any transmission line. He further submitted that the LILO of transmission line is done to optimize Right of Way (RoW) and it benefits the beneficiaries in the long run and cuts down the resource need.

3. The representative of the petitioner further submitted that PGCIL is constructing highway corridors in a big way and would be required to make LIL0 at various points in future. This is necessary for optimization of national resources.

4. The Commission further enquired from the petitioner about the time line within which element was commissioned. In response, the representative of the petitioner submitted that as per the investment approval accorded by the Board of Directors of the petitioner's company, the project was scheduled to be completed within 18 months from the date of investment approval. The representative of the petitioner further clarified that irrespective of the size of the project, there are certain processes which are common like process of inviting tender, bidding activities, mobilization time after award of contract etc. As compared to completion schedule of 24 to 36 months for a normal transmission line, PGCIL has assigned 18 months only in the present case. For a long line, multiple gangs are employed for construction activities but for a small line, the number of gangs required is less.

5. The Commission further enquired from the petitioner about the normal completion time of such projects in the past. In response, the representative of the petitioner clarified that the tendering, detailed summary, award and mobilization required approximately six months or more. The mobilization by the contractor, placement of award of the tower plant, insulators and conductors required some time. However, the execution work takes six months time.

6. The Commission further observed that in the time line for various activities, there is always a margin available and enquired from the petitioner about the critical element in the project. The Commission directed the petitioner to submit the following details/documents on affidavit, with advance copy to the respondents, latest by 18.7.2011:

- (i) Master network chart; and
- (ii) time line and the terms and conditions of contracts of this project.

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

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