

CENTRAL ELECTRICITY REGULATORY COMMISSION

Petition No. 17/2011

Sub: Determination of transmission tariff for combined assets of 400 kV D/C Kanpur - Ballabgharh transmission line and 40% FSC AT Ballabgharh on 400 kV D/C Kanpur -Ballabgharh transmission line along with associated bays under NRSS -IX in Northern Region for the period 2009-14.

Date of hearing : 19.7.2011

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

Petitioner : Power Grid Corporation of India Ltd., Gurgaon.

Respondents : Punjab State Electricity Board, Patiala and Others.

Parties present : Shri Rajeev Gupta, PGCIL
Shri M.M.Mondal, PGCIL
Shri S. Raju, PGCIL
Shri Gaurav Agarwal, PGCIL
Shri T.P.S.Bawa, PSEB

Record of Proceedings

This petition has been filed by Power Grid Corporation of India Limited for approval of transmission of the subject transmission asset for the period 2009-14, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as the 2009 regulations).

2. The representative of the petitioner submitted that the ceiling of 3.5% for spares specified in the 2009 regulations is on the lower side, particularly for such equipments as reactor compensation where the actual spares consumption is around 5.8%. The representative of the petitioner submitted that since the compensating equipments are costly imported item, the initial spares above the ceiling norms of 3.5% be allowed by invoking the power of the Commission under Regulation 44 of the 2009 Regulations.

3. The representative of PSEB referring to form 5-C of the petition submitted that the date of completion of work by the contractor has been indicated as 1.4.2010 whereas the work has yet not been completed. He requested the Commission to issue directions to the petitioner to claim liquidated damages from the contractor for delay in completion of the work. He further submitted that 0.5% ROE be disallowed even though the transmission asset is commissioned prior to the scheduled date as per the investment approval. The representative of the petitioner submitted that for the delay on the part of the contractor, liquidated damages are being claimed as per the terms of the contract.

4. On the question of initial spares, the Commission observed that the spares have been allowed in the 2009 regulations on normative basis and the petitioner should adjust the expenditure within the norms.

5. The petitioner was directed to file the following on affidavit, latest by 5.8.2011, with advance copy to the respondents.

- (i) Justification of cost over-run under the sub-head "Compensating Equipment" (Reactor, SVCs etc.); and
- (ii) Details of initial spares of the FSC claimed.

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

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