

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**RECORD OF PROCEEDINGS**

**Petition No. 87/TT/2011**

Subject: Determination of Transmission Tariff for combined assets of 400 kV D/C Gorakhpur- Lucknow Transmission Line along with its associated bays (DOCO: 1.11.2010) and 30% FSC on 400 kV D/C Gorakhpur-Lucknow Transmission Line (anticipated DOCO 1.4.2011) at Lucknow along with associated bays under NRSS-X, from anticipated DOCO to 31.3.2014 for tariff block 2009-14 period in Northern Region (combined assets of NRSS-X).

Date of hearing: 16.2.2012

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

Petitioner: PGCIL

Respondents: Rajasthan Rajya Vidyut Prasaran Ltd., and 16 others

Parties present: Shri S.S Raju, PGCIL  
Shri Rajeev Gupta, PGCIL  
Shri Tej Pal Singh, PSPCL  
Shri Padamjit Singh, PSPCL  
Shri R.B. Sharma, Advocate for BSES, JSEB

The representative of the petitioner, PGCIL, submitted as under:-

- (a) The petition has been filed for allowing transmission tariff for combined assets of 400 kV D/C Gorakhpur- Lucknow Transmission Line along with its associated bays and 30% FSC on 400 kV D/C Gorakhpur-Lucknow Transmission Line at Lucknow along with associated bays under NRSS-X, from anticipated DOCO to 31.3.2014 for tariff block 2009-14 period in Northern Region.

- (b) As per the Investment Approval the assets are to be commissioned within 36 months, i.e. by 1.1.2011 and the assets were commissioned on 1.4.2011. There was a marginal delay of 3 months in commissioning the assets due to the delay in supply of equipment.
- (c) The initial spares claimed are more than 3.5% of the capital cost, allowed as per the regulations. They have submitted detailed justification for claiming higher initial spares.
- (d) Marginal delay of 3 months be condoned and the initial spares and tariff as claimed in the petition be allowed.
- (e) Rejoinder to the reply from UPPCL would be filed in due course.

2. The representative of PSPCL submitted in para 7 of the petition it has been stated that Liquidated Damages (LD) would be adjusted in capital cost. The capital cost should be reduced by amount of LD and tariff should be determined based on the reduced capital cost. O&M should be allowed as per the regulations.

3. The representative of BRPL submitted that the estimated completion cost including projected expenditure of the asset "30% FSC on Gorakpur-Lucknow 400 kV D/C line" is ₹ 2713 lakh as against the apportioned approved cost of ₹ 4546 lakh, in spite of time over-run of 3 months. There has been over-estimation of project cost by the petitioner. Time is the essence of the contract and cost variation due to time over-run must be recovered from the contractor as the delay is attributable to the contractor.

4. The representative of PGCIL submitted that the contract is yet to be closed and final picture regarding the Liquidated Damages would emerge only after closure of the contract. Liquidated damages are applicable to the supplier and will be levied as per the contract.

5. Order in the petition was reserved.

By order of the Commission

Sd/-  
(T.Rout)  
Joint Chief (Law)  
29.2.2012