

**Central Electricity Regulatory Commission
New Delhi**

RECORD OF PROCEEDINGS

Petition No. 84/TT/2011

Subject: Approval for transmission tariff of 400 kV Patiala - Ludhaina T/L and LILO of Patiala Hissar Line at Kaithal Sub-station alongwith associated bays under transmission system associated with Rampur HEP for 2009-14 period in Northern Region

Date of Hearing: 16.2.2012

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

Petitioner: PGCIL, New Delhi

Respondents: Rajasthan Rajya Vidyut Prasaran Nigam Ltd. & 16 others

Parties present: Shri S.S.Raju, PGCIL
Shri Rajeev Gupta, PGCIL
Shri Padamjit Singh, PSPCL
Shri Tej Pal Singh Bawa, PSPCL
Shri R.B. Sharma, Advocate for BSES
Shri Sanjay Srivastav, BRPL
Shri Sunil Barnwal, BRPL

This petition has been filed by the petitioner, PGCIL, for determination of transmission tariff of transmission system associated with Rampur HEP for the period 2009-14 in Northern Region.

2. The representative of the petitioner submitted as under:-

(a) The present petition covers two assets: (i) 400 kV Patiala Ludhiana transmission line; and (ii) LILO of Patiala Hissar line at Kaithal Sub-station along with associated bays (hereinafter referred to as "assets"). For the third asset, i.e., LILO of Nathpa Jhakri-Nalagarh 400 kV D/C line at Rampur, separate petition will be filed;

(b) As per the investment approval given vide Memorandum dated 20.2.2009, the transmission scheme was scheduled to be commissioned within 33 months from the date of investment

approval, i.e., by 1.11.2011. As against this, 400 kV Patiala-Ludhiana transmission line was commissioned on 1.9.2011, and LILO of Patiala-Hissar line at Kaithal Sub-station along with associated bays was commissioned on 1.10.2011. Hence the petitioner is claiming additional return on equity of 0.5%;

- (c) It was agreed during the 29th meeting of the Standing Committee on Transmission System planning of Northern Region held on 29.12.2010 that the LILO of Nathpa Jhakri-Nalagarh 400 kV D/C line at Rampur would be commissioned matching with the commissioning schedule of Rampur HEP while Patiala-Ludhiana 400 kV D/C line and LILO of Patiala-Hissar 400 kV line at Kaithal might be commissioned at the earliest by delinking them with the commissioning of Rampur HEP because of system and grid requirements;

3. The learned counsel for BRPL, respondent No. 12, submitted as under:

- (a) The estimated completion cost is likely to be ` 14132 lakh, as against the apportioned approved cost of ` 17240 lakh. In spite this huge over-estimation, there has been a substantial cost overrun in elements like Towers Steel, Insulators, Hardware fittings etc. The petitioner has attributed this cost variation to difference between award rate and estimated rate, which is not adequate;
- (b) As regards the claim for additional return on equity for early commissioning, the petitioner has not furnished information related to the completion of the other components of the project. The fact that an amount of ` 1551.25 lakh is yet to be spent from date of commercial operation to 31.3.2013 indicates that the asset in question has yet to attain its completion.
- (c) Moreover, the asset was linked with the evacuation of power from the Rampur HEP whose date of commissioning has not been specified. Even if there is early commissioning, the transmission asset is out of use so long as it is not matched with the commissioning of the generating unit.

4. Representative of PSPCL submitted that in Form 5B of the petition, against original estimate which is 'Nil', the cost variation is ` 41.23 lakh, which should be explained by PGCIL. They should also explain huge overestimation in elements like outdoor lighting. Additional return on

equity is admissible only when the whole project/ scheme is completed. He further submitted that O&M expenditure should be as per the regulations.

5. On a query of the Commission regarding the effect of the delinking on the duration of the project as envisaged in the investment approval, the representative of the petitioner referred to the notes below Appendix II to the 2009 regulations which says that in case a scheme having combination of projects, the qualifying time schedule of the activity having maximum time period shall be considered for the scheme as a whole.

6. Order in the petition was reserved.

By order of the Commission

(T. Rout)
Joint Chief (Law)
.2.2012