

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Record of Proceedings**

**Petition No. 111/TT/2012**

**Subject** : Approval under Regulation 86 of CERC (Conduct of Business) Regulations, 1999 and CERC (Terms and Conditions of Tariff) Regulations, 2009 for determination of Transmission Tariff from anticipated DOCO (01.01.2012) to 31.03.2014 for 400 kV D/C Neemrana-Sikar line alongwith associated bays under Northern Region Scheme Strengthening Scheme-XVII, for tariff block 2009-14 period in Northern Region.

**Date of Hearing** : 20.03.2014

**Coram** : Shri Gireesh B. Pradhan, Chairperson  
Shri M. Deena Dayalan, Member  
Shri A. K. Singhal, Member

**Petitioner** : Power Grid Corporation of India Ltd.

**Respondent:** Uttar Pradesh Power Corporation Ltd. and others

**Parties Present** : Shri Padamjit Singh, PSPCL  
Ms. Sangeeta Edwards, PGCIL  
Shri S. S. Raju, PGCIL  
Shri T. P. S. Bawa, PSPCL  
Shri M. M. Mondal, PGCIL  
Shri R. B. Sharma, Advocate, BRPL

The representative of the petitioner submitted as follows:-

- (a) The instant petition has been filed for approval of transmission tariff for Neemrana-Sikar line alongwith associated bays under NRSS-XVIII.
- (b) The petition was filed on the basis of the anticipated date of commercial operation, i.e. 1.1.2012 and the asset was commissioned on 1.2.2012. Accordingly, revised forms and the management certificate have been filed.



- (c) As per the Investment Approval dated 16.2.2009, the asset was to be commissioned within 30 months from the date of Investment Approval i.e. by 1.9.2011. The asset was commissioned on 1.2.2012 and there is a time over-run of five months in commissioning the asset.
- (d) The time over-run is due to delay in issue of clearance by mining department. The clearance was given by mining department after a year of application. The time over-run has been reduced to five months because of the efforts made by the petitioner.
- (e) Reply has been filed by BRPL and PSPCL.
- (f) Requested to condone the time over-run and approve the tariff as prayed in the petition.

2. The representative of PSPCL submitted as under:-

- (a) The instant line is passing through the land allotted to Grasim Industries Limited for the purpose of mining and accordingly the line was diverted and this diversion and delay in issue of clearance by mining department led to time over-run of five months. The investment approval was granted on 16.2.2009 and the land was allotted to Grasim Industries Limited in the year 2007. The petitioner should have conducted survey before planning the line and if sufficient care was taken by the petitioner at the time of planning, the delay of five months could have avoided.
- (b) The contract for tower packages was awarded in March, 2009 and as per the documents submitted by the petitioner, the issue of land was taken up with Grasim Industries Limited only in the year 2010 and the issue was taken up with the Government of Rajasthan in a meeting held in March, 2010. There is considerable delay on the part of the petitioner in taking up the issue of land with concerned and hence the delay of five months should not be condoned and the IDC and IEDC for a period of five months should not be allowed.
- (c) The petitioner should clarify when the line was actually loaded.
- (d) There is substantial increase in cost of the transmission line material and the switchgear and this cost over-run should not be allowed.

3. The learned counsel for BRPL has submitted as under:-

- (a) In spite of increase in the length of the line by 15 km, the completion cost of the line is within the approved cost and there is huge over-estimation, which makes it difficult to ascertain the actual cost over-run.
- (b) As per the investment approval the asset was to be commissioned on 1.9.2011 and it was commissioned after a time over-run of five months. IDC and IEDC for the period of delay should not be allowed.
- (c) As per Form 5C, the work is to be completed by 5.3.2011, whereas the scheduled date of commercial operation is 1.9.2011 and thus the petitioner had a cushion of 5 months for completion of the project.

4. In response, the representative of the petitioner clarified that a provision of ₹11.65 crore was made for forest clearance and compensation and this amount was not spent as there was no forest land involved and hence the cost is reduced. She submitted that the increase in the length of the line is the reason for cost variation. She further submitted that the cost variation is due to the low awarded cost. As regards time over-run, she submitted that at the time of FR a walk over survey was conducted and later a detailed survey was conducted. The objection from Grasim Industries Limited was received only in the year 2010 and thereafter discussions with various authorities were held. The mining clearance was received after a period of one year and hence the time over-run of five months. As regards BRPL's observation, the representative of the petitioner clarified that the cushion of five months, after completion of various packages, is kept to meet any contingency.

5. The Commission directed the petitioner to adopt better methods in arriving at the cost estimates. The petitioner was also directed to submit the detailed reasons for huge variation in the cost on affidavit by 10.4.2014, with a copy to the respondents.

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

By the order of the Commission,

sd/-  
(T. Rout)  
Chief (Law)

