

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 240/TT/2013

Subject : Petition for determination of Fees and Charges for Fibre Optic Communication System in lieu of existing Unified Load Dispatch and Communication (ULDC) Microwave links in Northern Region for tariff block 2009-14

Date of Hearing : 24.6.2014

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

Petitioner : Power Grid Corporation of India Limited

Respondents : NTPC and 20 others

Parties present : Shri S.S. Raju, PGCIL
Ms. Seema Gupta, PGCIL
Shri S.K. Venkatesan, PGCIL
Ms. Sangeeta Edwards, PGCIL
Shri A.S. Kushwaha, PGCIL
Shri S.P. Singh, PGCIL
Shri S.K. Meena, NHPC
Shri A.K. Pandey, NHPC
Shri R.B. Sharma, Advocate, BRPL
Shri N.N. Sadasivan, APCPL
Shri Amit Goenka, DELOITTE
Shri Rakesh Sharma, PSTCL
Shri R.K. Jain, RVPN
Shri Arvind Agrawal, RVPN
Shri Mishri Lal, North Central Railway



Record of Proceedings

The representative of the petitioner submitted as under:-

- a) The petition has been filed for determination of fees and charges for fibre optic network being installed in lieu of existing Unified Load Dispatch and Communication (ULDC) Microwave links in Northern Region. The instant petition covers 3221 Km of optic fibre;
- b) As per Investment Approval dated 25.3.2010, the project is scheduled to be completed within 30 months from the date of investment approval i.e. by 1.10.2012. The investment approval was for installation of OPGW fibre optic cable of approximately 4488 Km. The present petition covers 3221 Km. of optic fibre, commissioned so far. Asset-I (1099.803 Km Optic fibre) was declared under commercial operation on 1.4.2012, Asset-II (1628.966 Km Optic fibre) was put under commercial operation on 1.1.2013, and Asset-III (493.064 Km Optic fibre) was put under commercial operation on 1.4.2013. Thus, there is delay of 3 months and 6 months in the commissioning of Assets-II and III respectively;
- c) The delay is mainly on account of late confirmation of participation by UPPTCL, inclusion of PTCUL, and heavy foggy condition from middle of December 2011 to middle of February 2012 and from middle of December 2012 to February 2013. During foggy weather, lines trip on many occasions due to failure of T&P. Delay is for reasons beyond the control of the petitioner and hence it may be condoned;
- d) Reply of BRPL has been received and rejoinder would be filed shortly.

2. The representative of NHPC, Respondent No. 2, submitted that implementation of OPGW system has not been done in respect of NHPC projects. The issue of providing Optic Fibre Communication System for the NHPC generating stations located in remote areas like Himalayan region was raised in the 27th TCC meeting and 30th NRPC meeting on 27.2.2014 and 28.2.2014, wherein the petitioner informed that remaining work of central sector will be completed in March, 2014. However, no confirmation has been received till date. He requested the petitioner to accord priorities to OPGW work for NHPC hydro generating station before coming winter season.



3. The learned counsel for BRPL, Respondent No. 12, submitted that the petitioner has made its claim under Regulation 44 "Power to Relax" of the 2009 Tariff Regulations. As against the approved cost of ₹16131 lakh, the estimated completion cost of the assets is ₹9172 lakh, resulting in a large savings. The project covers installation of 4488 km. of OPGW in place of earth wire on the existing EHV transmission lines of PGCIL and constituents. The installation of OPGW would require replacement of the earth wire on the existing EHV transmission line which is required to be de-capitalized in this petition. He submitted that the decapitalisation should be on the basis of book value, and not on the salvage value. He further requested to implead the distribution companies as respondents in this petition.

4. The representative of the petitioner clarified that the NHPC projects are not the part of this scheme, and that they will be covered under a subsequent scheme. She further submitted that this petition has been filed as per the Commission's order dated 8.12.2011 in Petition No. 68/2010. As directed in the said order, the transmission charges of the instant charges will be shared similar to the system operation charges for the Regional Load Despatch Centres under the RLDC Regulations. In response to BRPL's objections regarding cost, she clarified that the cost of ₹9172 lakh pertains only to part of the project (3221 km out of 4488 km of the project) covered in the instant petition. She further submitted that the decapitalisation of the existing ULDC Microwave links will be done on the basis of the book value and the amount realized will be adjusted in the capital cost of the instant assets.

5. The Commission directed the petitioner to submit the following information on affidavit by 15.7.2014, with a copy to the respondents:-

- (i) Whether the fibre optic links are functional?
- (ii) Basis of DOCO of fiber optic and certifying authority for the DOCO of these assets.
- (iii) Number of SDH and Radio quantity corresponding to the optic fibre commissioned.
- (iv) Basis of distribution of total length of optic fibre cable into 3 assets.
- (v) Whether Investment Approval dated 25.3.2010 includes the UPPTCL and PTCUL's portion?
- (vi) Reason for late participation of UPPTCL and PTCUL in the scheme.

- (vii) The book value of the existing ULDC Microwave Links at the time decapitalisation and the amount adjusted towards the capital cost of the assets in the instant petition.
- (viii) The original cost of the erected ULDC Microwave Links at the time of installation and depreciation charged at the time of decapitalisation.
- (vii) Rejoinder to the reply of BRPL.

6. If the rejoinder and the information sought above are not filed by due date, the Commission shall be at liberty to issue order without taking into consideration the submission made after the due date.

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

By order of the Commission

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

