

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 133/TT/2015

Subject : Truing up transmission tariff for 2009-14 tariff block and approval of transmission tariff for 2014-19 tariff block for Rihand Transmission System (DOCO 1.4.1992) in North Region.

Date of Hearing : 16.11.2015.

Coram : Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member

Petitioner : Power Grid Corporation of India Limited (PGCIL)

Respondents : Rajasthan Rajya Vidyut Prasaran Nigam Limited Ltd & 17 Others

Parties present : Shri S.K. Niranjana, PGCIL
Shri S.S. Raju, PGCIL
Shri Jasbir Singh, PGCIL
Shri A. K. Arora, PGCIL
Shri R. K. Arora, PGCIL
Smt. Sangeeta Edwards, PGCIL
Shri S. C. Taneja, PGCIL
Shri Rakesh Prasad, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri Shashi Bhushan, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Shri R. B. Sharma, Advocate, BRPL
Shri Pramod Kumar, Advocate, JVVNL
Shri Tarun Ahuja, JVVNL
Shri B. L. Sharma, JVVNL



Record of Proceedings

The representative of the petitioner submitted that:-

- a) The instant petition has been filed for truing up of transmission tariff for 2009-14 tariff block and determination of transmission tariff for 2014-19 tariff block for Rihand Transmission System in North Region;
- b) The asset was commissioned on 1.4.1992;
- c) The tariff for 2009-14 was approved by the Commission vide Order dated 7.9.2012 in Petition No. 326/2010 along with the additional capital expenditure and de-capitalization for 2009-14 period; and
- d) The Commission vide Order dated 7.2.2013 in Petition No. 305/2010 approved additional capital expenditure and de-capitalization for replacement of insulators during 2009-14 tariff period.

2. The learned counsel for BRPL, Respondent No. 12 submitted that:-

- a) The petitioner has not carried out any work during 2009-14 period for which additional capital expenditure was approved by the Commission and the entire work has been shifted to 2014-19 period. As the work was done during the 2014-19 period, the tariff should also start from 2014-19 period;
- b) The details of progress of work with respect to replacement of insulators has not been given in the petition;
- c) The claim of spill over of additional capital expenditure during 2014-19 is required to be made as per Regulation 14(3)(vi) of the 2014 Tariff Regulations and not under the 2009 Tariff Regulations. The petition needs to be amended to that extent;
- d) The petitioner should claim the additional capital expenditure during 2014-19 under Regulation 14(3)(ix) read with Regulation 14(3)(vii) of the 2014 Tariff Regulations. However, the petitioner has prayed for additional capital expenditure under Regulation 14 (3)(ix);



- e) The NAPAF for HVDC bipole links and HVDC back to back stations is 95% and for AC System it is 98%, the estimated additional capital expenditure for the 2014-19 period for system efficiency improvement should not be approved if the PAF of the system is more than 95% and 98% in case of HVDC and AC Systems respectively. The petitioner should submit the NAPAF and outage data of the transmission system for last 2 years;
- f) The third party equipment inspection was done by ABB on 9.12.2009 and only the incidents of failure of certain equipments was reported but no remedy was recommended in the report;
- g) The additional capital expenditure claimed towards AC system is not supported by any independent agency's tests and is thus liable to be rejected;
- h) Some of the projected expenditure items are in the nature of spares and are not permissible under the Regulations; and
- i) The petitioner should submit the complete report of ABB in support of the proposed additional expenditure.

3. In response to the BRPL's submissions, the representative of the petitioner gave the following clarifications:-

- a) The additional capital expenditure, with respect to replacement of insulators by polymer insulator was taken up during 2009-10 and 2010-11 and there was no expenditure towards this during 2011-12 to 2013-14;
- b) The additional capital expenditure approved during 2011-12 to 2013-14 was for tower strengthening of 400KV S/C Kanpur- Ballabgarh Line for 2011-12 and 2012-13 and equipment replacement work (including DG set) for 2013-14. However, certain work related to tower strengthening, DG set and other equipment replacement works spilled over from 2009-14 period to 2014-19 period, the detailed justification for the same has already been submitted in the petition. Additional information was also submitted vide affidavit dated 16.11.2015;
- c) No third party agreed for inspection of fibre optics, HVDC and other obsolete breakers and switchgear, hence ABB was approached to do the same;
- d) After studying the system and prudence check, ABB recommended



replacement of the elements on the grounds of obsolescence of the control system, fibre optics and others. Few of these elements were replaced during 2009-10 and the rest are proposed to be replaced during 2014-19 based on an increase in the number of shutdowns during the last 3 years due to thyristors failing, valves damage etc.;

- e) The Board approval is required initially at the Investment Approval stage of the scheme and for approval of the capital expenditure with respect to O&M Expenses for various schemes, as a whole, during the year;

4. The petitioner sought two weeks time for submission of NAPAF, outage data of the transmission system and detailed report of ABB.

5. The Commission observed that there is considerable delay in execution of work related to tower strengthening and other equipment replacement work and directed the petitioner to submit the reasons for delay in execution of work and the loss or the damage due to delay in execution of the work.

6. The Commission further directed the petitioner to file the following information, on affidavit by 23.11.2015 with a copy to the respondents:-

- a) NAPAF and outage data of the HVDC bipole links, HVDC back to back stations and AC System for last two years;
- b) Detailed ABB report; and
- c) Copy of the minutes of the deliberations of the petitioner's Board wherein the proposed additional capital expenditure was approved.

7. The Commission further observed that in case the above information is not received within the specified date, the petition will be disposed on the basis of the information already available on record.

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

By order of the Commission

(V. Sreenivas)
Dy. Chief (Law)

