

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 17/RP/2015

Subject : Review of order dated 7.5.2015 in Petition No. 37/TT/2011

Date of Hearing : 15.9.2015

Coram : Shri Gireesh B. Pradhan, Chairman
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member

Petitioner : Jaypee Powergrid Limited (JPL)

Respondents : Jaiprakash Power Ventures Limited (JPVL) and 23 others

Parties present : Shri M.G. Ramachandran, Advocate, JPL
Shri Avinash Menon, Advocate, JPL
Shri Avinash Gupta, Advocate, JPVL
Shri Rajeev Nayan, DTL

Record of Proceedings

Learned counsel for the review petitioner submitted that the present review petition has been filed seeking review of the Commission's order dated 7.5.2015 (impugned order) in Petition No. 37/TT/2011 regarding determining the transmission tariff for transmission system associated with evacuation of power from Karcham Wangtoo Hydro Electric Project for 2009-14 period. Learned counsel for the review petitioner submitted as under:-

- (a) The expenses towards formation of Company and increase in authorized capital amounting to ₹184 lakh was disallowed and the same may be allowed;
- (b) The total cost of sub-station represents exclusive cost for constructing the 2 bays located at the sub-station at Abdullapur end. This is not the cost of constructing 4 bays, as has been considered by the Commission. Therefore, full cost of the same is allowable, rather than reducing it by 50%. The



Commission may consider the additional facts into account and allow ₹908.00 lakh;

- (c) The petitioner was required to install non-switchable line reactor along with associated equipment, which are integral part of the transmission system at the Wangtoo end of the line. The 2 bays at Wangtoo end (generating end) are bay related equipment forming an integral part of the reactor equipment and included in its cost. However, the same were inadvertently considered as 2 separate bays at Wangtoo in the main petition;
- (d) An amount of ₹1,648.00 lakh towards cost of reactors and ₹939.45 lakh towards pro-rata IDC & IEDC of cost of reactors was disallowed. During the proceedings of LTOA with Northern Region constituents on 3.11.2006, the proposal for granting open access to the beneficiaries of Karcham Wangtoo HEP was discussed and it was clearly stipulated that associated bays would be part of the transmission system and all the cost towards the same would be borne by the transmission line developers. Further, during the LTOA meeting held on 12.3.2007, it was agreed that the line reactors would be provided at Wangtoo end as a part of the transmission system. The line reactor is installed on the line in order to provide voltage control and reactive compensation to the line and it is part of the Transmission System. The cost of the line reactor is not included the same in the generator's project cost. Transmission line was not required to be developed by the generator rather it was required to be developed by the petitioner. Therefore, the cost of reactors and pro-rata IDC & IEDC of cost of reactors should form part of transmission system and not the generating station;
- (e) A sum of ₹63.59 lakh towards IDC was disallowed on the ground that this IDC pertains to the period after the date of commercial operation. The above IDC of ₹63.59 lakh pertains to the period prior to the commercial operation. The details of the same have already been submitted vide affidavit filed on 25.9.2014 in Petition No. 37/TT/2011; and
- (f) Licence fee, filing fee, monthly system operation charges paid to NRLDC/POSOCO, legal fees and expenditure towards the publication of of notice have not been allowed and the same may be allowed.



2. The learned counsel for the review petitioner submitted that there is mismatch in the figures of additional capital expenditure and computation of return on equity and interest on loan. He further submitted that there are errors apparent on the face of record and sufficient reasons for review of the order.
3. The Commission observed that the line reactors are not covered in the licence issued to the petitioner vide order dated 17.8.2007 in Petition No. 44/2007 and moreover the line reactors would form part of the generation assets and hence the petitioner should claim the cost of the line reactors as part of the generation assets. The learned counsel for the petitioner clarified that usually licence contains details of the major assets and does not give the details of assets like line reactors. The learned counsel for JVPL submitted that a petition claiming generation tariff has already been filed and these line reactors are not included in the said petition and accordingly cost of the line reactors may be allowed as part of transmission in the instant petition.
4. The Commission directed the review petitioner to depute its officers to respond to the queries of the staff of the Commission by 24.9.2015
5. The Commission further directed the review petitioner to submit the single line diagram with configuration and name of equipment i.e. circuit breaker, isolator, CT, PT etc, for the work executed by the petitioner at Abdullapur Sub-station by 24.9.2015.
6. The Commission directed to list the instant review petition on 6.10.2015 for further directions.

By order of the Commission

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(T. Rout)
Chief (Law)

