

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 405/TT/2014

Subject : Determination of transmission tariff from COD to 31.3.2019 for Vijayawada-Nellore 400 kV D/C line along with the extension of 400/220 kV Sub-station at Vijayawada & Nellore AP and 1 X 63 MVAR line reactor at both ends of each circuit of Vijayawada-Nellore 400 kV D/C line under "Transmission system associated with System Strengthening-XVIII in Southern Regional Grid".

Date of Hearing : 23.11.2015.

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

Petitioner : Power Grid Corporation of India Limited (PGCIL)

Respondents : Tamil Nadu Generation and Distribution Corporation Limited and 14 Others

Parties present : Shri S.K. Niranjan, PGCIL
Shri S.S. Raju, PGCIL
Shri Jasbir Singh, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Anshul Garg, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K Venkatesan, PGCIL
Shri S. Vallinayagam, Advocate, TANGEDCO



Record of Proceedings

The representative of the petitioner submitted that:-

- a) The instant petition has been filed for determination of transmission tariff from COD to 31.3.2019 for Vijayawada-Nellore 400 kV D/C line along with the extension of 400/220 kV Sub-station at Vijayawada & Nellore AP and 1 X 63 MVAR line reactor at both ends of each circuit of Vijayawada-Nellore 400 kV D/C line under "Transmission system associated with System Strengthening-XVIII in Southern Regional Grid";
 - b) As per investment approval, the commissioning schedule of the project is 29 months from the date of investment approval i.e. from 4.6.2012. The instant assets were scheduled to be commissioned on 4.11.2014. Against the scheduled commissioning date, one reactor was commissioned on 16.3.2015 and the other reactor was commissioned on 8.8.2015, i.e. with a delay of 5-9 months;
 - c) For the transmission line commissioned in 2015, the estimated completion cost is ₹52886 lakh against the FR cost of ₹46600 lakh, with cost up to COD being ₹49100 lakh, additional capital expenditure during 2015-16, 2016-17 and 2017-18 being ₹1511 lakh, ₹1888 lakh, and ₹377 lakh respectively. For the reactor commissioned in March 2015, the actual completion cost is ₹1998 lakh against the FR cost of ₹1879 lakh;
 - d) Revised cost estimate (RCE) is under approval and shall be submitted upon approval by the competent authority;
 - e) The time over-run is mainly on account of severe RoW issues at Vijayawada end. Vijayawada was deemed to be the new state capital of Andhra Pradesh, and due to the presence of highly cultivable land parcels in the region, severe RoW issues were encountered in Krishna and Guntur district. The transmission line was originally proposed from Nellore (APTRANSCO) to the POWERGRID Sub-station. The ROW issues were discussed in the 38th standing committee meeting held on 7.3.2015, where it was agreed that the line would be reconfigured;
 - f) Out of the 2 circuits, one has been linked to the existing D/C line from VTPS
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to Vijayawada POWERGRID Sub-station. Further, out of 2 reactors which were to come at the POWERGRID Sub-station, one has come at Vijayawada POWERGRID and the other has been installed at VTPS-4; and

- g) The actual Auditor Certificate, tariff forms and the reasons for delay have been submitted vide affidavit dated 6.11.2015

2. The learned counsel for TANGEDCO, Respondent No. 4 submitted that there is no tangible reply from the petitioner against cost over-run and the reasons provided by POWERGRID vide their rejoinder dated 2.2.2014 are not satisfactory. He further submitted that procurement process need not be delayed due to RoW issues. The petitioner should provide proper justification for the same. The learned counsel for TANGEDCO requested for two weeks time to file their reply.

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

- a) As submitted in the affidavit dated 2.2.2014 and 6.11.2015, due to severe RoW issues, one circuit was connected to VTPS-4 and the other one to POWERGRID Sub-station as discussed in the standing committee meeting dated 7.3.2015;
- b) Overall cost variation along with the item wise variations have been explained vide affidavit dated 2.2.2014 and 6.11.2015. Increase in crop and PTCC compensation amounts are the major reasons for significant cost variation; and
- c) The documentary evidence has been submitted to justify cost variations vide affidavit dated 2.2.2014 and 6.11.2015.

4. In response to the Commission's query regarding length of the transmission line, the representative of the petitioner submitted that the length of the line is approximately 330 km and the issues related to compensation have been encountered at Vijayawada end. There is no significant effect of change in line length on the completion cost of the asset.

5. A copy of the additional information filed by the petitioner was given to the learned counsel for TANGEDCO. The Commission directed all the respondents to file their reply



on affidavit by 30.11.2015 and the petitioner to file rejoinder by 4.12.2015. The Commission further directed the petitioner to submit the replies to the remaining queries sought vide letter dated 16.11.2015 alongwith the rejoinder to the reply filed by KSEB by 30.11.2015.

6. The Commission directed that the above information should be filed by the date indicated, failing which the matter would be decided on the basis of the information already available on record.

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

By order of the Commission

Sd/-
(V. Sreenivas)
Dy. Chief (Law)

