

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 71/TT/2015

Subject : Determination of transmission tariff from DOCO to 31.3.2019 for Six (06) nos. Assets under Vindhyachal-IV & Rihand-III {1000 MV} Generation Project in Western & Northern Region

Date of Hearing : 21.7.2015

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member

Petitioner : Power Grid Corporation of India Limited

Respondents : Madhya Pradesh Power Management Company Ltd. and 24 Others

Parties present : Shri A.M Pavgi, PGCIL
Shri Piyush Awasthi, PGCIL
Shri M.M Mondal, PGCIL
Shri S.K Venkatesan, PGCIL
Shri R.B Sharma, Advocate, BRPL

Record of Proceedings

The representative of the petitioner submitted that:-

- a) The petition has been filed for determination of transmission tariff for six assets under Vindhyachal-IV & Rihand-III (1000 MW);
- b) As per the Investment Approval (IA) dated 17.3.2010, the assets were scheduled to be commissioned within 32 months, i.e. by 16.11.2012. Asset 1 was commissioned on 6.7.2014, Asset 2 was commissioned on 13.11.2014, Asset 3 was commissioned on 14.1.2015. Asset 4, 5, and 6 are anticipated to be commissioned on 1.6.2015, 1.4.2015 and 1.4.2015 respectively. Accordingly, there is time over run in all the assets.
- c) The total estimated completion cost ₹2,45,844.58 lacs is within the apportioned approved cost ₹2,69,866.73 lacs.



- d) The time overrun is mainly due to the acquisition of land at Vindhyachal Pooling station and delay in obtaining the forest clearance. The application for approval for government land was made on 11.4.2012 and the approval was granted on 14.6.2013.
- e) Provisional tariff order has been granted vide order dated 15.4.2015.

2. The learned counsel for the respondent BRPL submitted as under :-

- a) Asset-1, Asset-2 and Asset-3 have been put on commercial operation on 6.7.2014, 13.11.2014 and 14.1.2015 respectively. The remaining 3 assets are yet to be put for commercial operation;
- b) The delay in Assets 4 and 5 are mainly due to the line passing through wildlife sanctuary such as the Crocodile Sanctuary and the Great Indian Bustard Sanctuary ;
- c) The delay in the commissioning of Assets 2, 3, and 5 is also on account for ensuring the technological availability in India. The petitioner was aware about the factors resulting to the delay of commissioning of the transmission project. The reduction in the apportioned approved cost is due to the reduction in the transmission line of 31 km;
- d) The petitioner has not submitted the necessary documents such as PERT chart, CPM analysis for analyzing the time and cost overrun;
- e) The problems encountered during the construction of the project were known to the petitioner while scheduling the completion period of 32 months. Hence the reasons for the delay fall within the ambit of controllable factors;
- f) On a similar issue regarding the delay on account of ensuring technological availability, the petitioner had filed Appeal No 107/2014 before the Appellate Tribunal for Electricity and by judgment dated 26.2.2015 the Tribunal rejected the prayer of the petitioner. Hence the petitioner cannot seek condonation for the delay. This maybe considered in the present case
- g) Reply filed in the matter may be considered

4. The Commission directed the petitioner to file the following information, on affidavit on or before 17.8.2015 with an advance copy to the respondents:-



- a) The COD of all elements of Asset-5;
- b) Actual DOCO of the Assets-4, 5 and 6 and certification of RLDC after achieving commercial operation for all the aforementioned assets;
- c) Trial Operation certificates;
- d) Status of Sasan-Vindhyachal Transmission Line built by M/s Reliance;
- e) Status of 765 kV, D/C Satna-Vindhyachal Transmission Line;
- f) Single Line diagram covering the assets;
- g) Form-5A in respect of Asset-1, 5 and 6, Form-5 in respect of Asset-5 and Form-7 in respect of Asset-6;
- h) Reason(s) for cost over-run in Asset-4 and 6;
- i) Though there is no overall cost overrun in Asset-1, 2, 3 and 5, there is large variation in completion cost with respect to FR cost, in certain items. The basis on which FR estimates were prepared shall be explained;
- j) Documentary evidence for delay in the commissioning of Asset-2 and 3;
- k) Usage of line portion of Vindhyachal-Vindhyachal (PS) of about 29.28 km and its de-capitalised value [as this portion was used as an interim arrangement due to Land acquisition/RoW issues for Vindhyachal Pooling station (Petition No. 86/TT/2012)];
- l) For Asset-2 & 3 under Asset-5: For each 765 kV S/C transmission line of 192 km, the cost is ₹647 crore and ₹462 crore respectively. The reason for difference in cost shall be furnished;
- m) In Form-2 of Asset-5: a claim of 765 kV Vindhyachal- Satna Ckt-I & II D/C line (76.131 km) has been submitted. However as per the details provided in affidavit dated 28.5.2015, no details of D/C portion has been furnished ;
- n) For POC tariff of the Individual assets of Asset V, the DOCO alongwith Auditor's certificate for the expenditure incurred and DOCO letters in case of actual COD or Management certificate in case of anticipated COD alongwith the revised tariff forms shall be submitted;

- o) Status of the commissioning of the Asset-IV and VI. In case of any change in COD of the Assets, Auditor / Management certificates and all tariff Forms for concerned Assets shall be submitted;
- p) Supporting Documents i.e. interest rate proof and exchange rate wherever applicable for the concerned assets;
- q) Investment Approval certified by Company Secretary;
- r) In respect of all the assets, details of incidental expenditure incurred during the period of delay (i.e. from scheduled DOCO to actual COD/anticipated COD) along with the liquidated damages recovered or recoverable;
- s) Computation of Interest During Construction along with editable soft copy in Excel format with links for the Assets for the following periods:
- From the date of infusion of debt fund up to Scheduled Date of Commercial Operation as per Regulation 11 (A) (1) of Tariff Regulation, 2014.
 - From scheduled date of commercial operation to actual COD or Revised COD, as the case may be.
- t) Form-4A "Statement of Capital Cost" as per Books of Accounts (Accrual Basis) for all the assets. The Amount of capital liabilities in gross block should also be furnished;
- u) In case of any default in interest payment on loan, petitioner is required to provide the details of the same shall be furnished;
- v) Form-9, 9B,12,12A,14 and 15 complete in all respect;
- w) In Form-13 (Details of Initial spares) -in case of Asset-I and Asset-II Capital Cost shall be reconciled with Auditor/Management Certificate;
- x) Supporting documents i.e. Interest Rate and Exchange rate for foreign loans-(IFC –A, IFC –B and FC Bond) as per the actual DOCO(s) in case of Asset-I, II and Asset-IV; and

y) In case of Asset-I and Asset-VI the Auditor Certificate / Management Certificate with the segregation of hard cost and IDC/ IEDC.

6. The respondents shall file their replies on or before 28.8.2015 with advance copy to the petitioner who shall file its rejoinder, if any by 7.9.2015. The additional information/replies/rejoinder shall be filed within the due date mentioned above. In case no information is filed within the due date, the matter shall be considered based on available records. Subject to the above, order in the petition was reserved.

By order of the Commission

sd/-
(T. Rout)
Chief Legal

