

CENTRAL ELECTRICITY REGULATORY COMMISSION
4th Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001
Ph: 23753942, Fax-23753923

Petition No.78/TT/2015

Date: 16.11.2015

To
The Deputy General Manager,
Power Grid Corporation of India Limited,
Saudamini, Plot No. 2,
Sector-29, Gurgaon-122001

Subject: - Approval of transmission tariff for (A) 80 MVAR line reactor of Barh-I (charged as bus reactor) at Gorakhpur Extn. and (B) 80 MVAR line reactor of Barh-II (charged as bus reactor) at Gorakhpur Extn. under "BARH-TPS II" in Northern Region.

Sir,

With reference to your petition mentioned above, I am directed to request you to furnish the following information under Regulation 87(2) of the Central Electricity Regulatory Commission(Conduct of Business) Regulations, 1999, on an affidavit, with an advance copy to the respondents/ beneficiaries, latest by 20.11.2015:-

1. Submit the following details:-
 - a. Clarify in case there has been any revision in the scope of work.
 - b. CPM and PERT chart for the project showing complete work breakdown structure along with actual period of execution of the given assets from the start of the project till execution.
2. Submit whether the works awarded through various contracts were firm priced contracts. In case the contracts are not firm priced contracts, submit the copy of such contracts.
3. It is stated in the petition that there is a delay of 2 months due to various reasons which were beyond the control of the petitioner. The delay has been attributed to various reasons beyond its control involving various complexities and requirement of shut down involved in bay extension work in an existing Sub-station. Any specific reasons for the delay are not submitted in the petition. Submit specific reasons for delay qualifying it as controllable or uncontrollable factors with sufficient supporting documents for justifying the same as per the

table provided below. Also submit the cost escalation (if any) paid to contractor for this time over-run.

Activities leading to Delay	Duration of Delay on account of such activity	Detailed Reason with quantification against each activity	Necessary Documents in support for each reason

4. Provide the details of the asset along with GFA attributable to it forming part of the project, but not in use.
5. Completion cost as mentioned in the petition is as follows:

(□ in lakh)

Name of the element	Approved Cost (Apportioned)	Exp. Up to DOCO	Proposed Exp. For FY 2014-15	Estimated Completion Cost
(A) 80 MVAR line reactor of Barh-I (charged as bus reactor) at Gorakhpur Extn(COD: 4.11.2014)	649.78	590.85	88.20	679.05
(B) 80 MVAR line reactor of Barh-II (charged as bus reactor) at Gorakhpur Extn(COD:2.11.2014)	649.78	625.95	94.89	720.84
Total	1299.56	1216.80	183.09	1399.89

- a) As shown above, the proposed expenditure for 2014-15 is □183.09 Lakh. The reason submitted is 'mainly on account of Balance/Retention Payment. Clarify that the amount of □ 183.09 lakh is completely on account of balance and retention payments or also on account of some other works carried out. If yes, submit the details of such other works along with justification of claiming it as per relevant provisions of 2014 Tariff Regulations.

- b) With regard to balance and retention payment claimed in 2014-15, submit the following:
- Details of the contract for which payment has been retained with reasons for withholding the payment.
 - Details of Retention Payment proposed to be made along with the name of Contract under which the retention payment shall be made.
 - Whether all the balance/retention payments for assets under this petition have been claimed or some payments are still to be included. Furnish the statement of balance and retention payments yet to be made and not included to be paid in 2014-15.
6. Against the total apportioned approved cost of ₹1299.56 Lakh, the anticipated completed cost is ₹1399.89 Lakh, is higher by ₹100.33 Lakh as mentioned in the Petition. Clarify whether Board of the Company has agreed for the cost over-run. Furnish the minutes of the meeting in support of above.
7. Submit the copy of letter of awards/contracts for the following works as submitted on page 56 of the petition for which there is considerable variation in the estimate and actual cost.

Srl. No.	Particulars	Estimated Value (1)	Actual Value as on COD (2)	Liabilities/ Provisions (3)	Variation (4=2+3-1)	% increase from estimated value (5=4/1*100)
3.1	Switchgear (CT, PT, Circuit Breaker, isolator etc.)	65.14	128.65	30.35	93.86	144%
3.7	Bus bars/ Conductors/ Insulators	12.17	13.5	7.5	8.83	73%
3.11	Structure for switchyard	31.33	42.12	5.15	15.94	51%

Also submit the copy of letter of awards for the following works as submitted on page 83 of the petition for which there is considerable variation in the estimate and actual cost.

Sl. No.	Particulars	Estimated Value (1)	Actual Value as on COD (2)	Liabilities/ Provisions (3)	Variation (4=2+3-1)	% increase from estimated value (5=4/1*100)
3.1	Switchgear (CT, PT, Circuit Breaker, isolator etc.)	65.14	95.21	23.66	53.73	82%
3.7	Bus bars/ Conductors/ Insulators	12.17	13.5	7.5	8.83	73%
3.11	Structure for switchyard	31.33	42.12	5.15	15.94	51%

8. Submit single line diagram as per FR along with associated bays.
9. Details of time over-run which are required to be submitted as per Form 12 (Tariff Formats) of 2014 CERC Tariff Regulations are not submitted and it is mentioned that it is not applicable hence not submitted in the checklist for 2014-19 tariff block. There has been mention of 2 months time delay in achieving COD for both the assets in the petition. Hence, submit the required Form 12 as per 2014 Tariff Regulations.
10. Auditor's certificate for the capital cost as on COD and additional capital cost for 2014-15 as claimed in the petition.
11. Submit an undertaking clearly mentioning the equity and debt for the total capital cost and additional capital cost considered in the petition for calculation of Annual fixed charges is on actual basis along with the funding scheme for the additional capitalization.
12. Break-up of IDC and IEDC on cash basis up to SCOD and from SCOD to actual COD along with supporting calculations as per the format prescribed in Annexure I. In this regard, please arrange to provide the details of IDC and IEDC incurred during the period of delay (from scheduled DOCO to actual date of commercial operation) along with the liquidated damages recovered or recoverable, if any.
13. It has been submitted that Deferred Tax liability before 1.4.2009 shall be recovered from beneficiaries or long term customers/DICs as and when the same

gets materialized. As the Assets were commissioned in 2.11.2014 and 4.11.2014, provide the rationale behind such liabilities in the present case.

2. In case the above said information is not filed within the specified date, the petition shall be disposed on the basis of the information already on record.

Yours faithfully,

Sd/-
(V. Sreenivas)
Deputy Chief (Legal)