

CENTRAL ELECTRICITY REGULATORY COMMISSION

4th Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001

Ph: 23753942, Fax-23753923

Petition No.9/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: -Truing up of transmission tariff for the tariff block 2009-14 and determination of Transmission Tariff for the tariff block 2014-19 for Transmission System associated with 400 kV Central Transmission Project-I in Southern 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:-

- (i) A copy of investment approval of the project;
- (ii) The figures in table for approved AFC for 2009-14 mentioned on page 13 of the petition are ₹ 4526.24 Lakh and ₹ 4660.41 Lakh, for 2011-12 and 2012-13, respectively whereas in page 14 of the petition, the approved AFC figures for 2011-12 and 2012-13 are mentioned as ₹ 4504.07 Lakh and ₹ 4600.61 Lakh respectively. Clarify the reasons for mismatch of the figures in two tables;
- (iii) In page 18 of the petition it is stated that, "The transmission system associated with 400 kV Central Transmission projects-I is completing useful life of 25 years on 31.3.2017 during 2014-19 tariff block. Add-cap of ₹ 6173 Lakh and De-cap of ₹ 104 Lakhs being proposed under substation head for 400 kV Central Transmission Project-I in 2014-19 tariff block".
The table given below, in the same page, shows the total add cap for 2015-16 as ₹ 154 Lakh, for 2016-17 as ₹ 431 Lakh, 2017-18 as ₹ 473 Lakh, 2018-19 ₹ 469 Lakh, which adds up to ₹ 1527 Lakh and decap of ₹ 64 Lakh for 2018-19. Clarify the reasons for mismatch of the figures;
- (iv) Details of O & M Expenses for tariff block 2009-14 (Form-2), has not been submitted as mentioned in summary table of Form 1 for 2009-14 tariff block. Submit the same.

- (v) Notional equity to the extent of 30% of the additional capitalisation proposed is considered in the petition. Submit an undertaking in this regard that actual equity infused for the additional capitalisation during 2009-14 period is not less than 30% of total additional capital expenditure incurred;
- (vi) Submitted the consolidated and region wise balance sheet and P&L account for FY 2014-15 as stated in the checklist in page 108, 109 of the petition; and
- (vii) Submit the following clarifications/information regarding additional capitalization claimed for the tariff block 2009-14 and 2014-19 and rationale for the same is as shown below:

Petition	Reasons	Clarifications/Additional Information Required
a) During 2009-14 tariff block, it is submitted that against, add cap of ₹606 Lakh (₹372 Lakh for FY 2011-12 and ₹234 Lakh for FY 2012-13), the actual expenditure incurred is ₹409 Lakh for FY 2012-13 and ₹122 Lakh for FY 2013-14.	Add Cap on account of tower strengthening due to change in wind zone.	Submit copy of approval from competent authority (as per delegation of powers) and the undertaking that the said expenditure has been incurred only for tower strengthening works.
b) During 2014-19, add cap claimed for FY 2015-16 as ₹154 Lakh for FY 2016-17 as ₹431 Lakh, FY 2017-18 as ₹473 Lakh, FY 2018-19 ₹469 Lakh and de cap of ₹64 Lakh for tariff block 2018-19.	The addcap/ de-cap is on account of replacement of substations under CTP-I which are going to complete 25 years of service in 2016 & 2017. The equipments have become obsolete in design, and maintenance is not possible anymore.	Provide the following information/clarifications: <ul style="list-style-type: none"> • Copy of approval from competent authority (as per delegation of powers) • Supporting documents such as correspondence with OEMs or any other documents. • Whether any deliberations regarding add cap proposed has taken place at RPC level with beneficiaries. If yes, then copy of

		<p>deliberations should be provided.</p> <ul style="list-style-type: none">• Basis of cost estimates of items considered for additional capitalisation (based on budgetary quotes or offers received or rate contractsetc).• Information regarding Treatment of De-capitalisation of assets which needs to be replaced.
--	--	--

2. In case the above said information is not filed within the specified date, the petition shall be disposed as per the information available on record.

Yours faithfully,

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