

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 206/TT/2016**

- Subject : Determination of transmission tariff from COD to 31.3.2019 for Asset I: 1 No. 1X500 MVA ICT at 400/220 kV Subhasgram Sub-station along with the associated bays and 02 Nos. of 220 kV equipped line bays at 400 kV Subhasgram Sub-station and Asset II: Shifting of 2x50 MVAR line Reactor from Patna end of 400 kV Kahalgaon/Barh-Patna D/C line to Balia end of 400kV Patna-Balia D/C line under Transmission System for "Eastern Region Strengthening Scheme VIII" in Eastern Region
- Date of Hearing : 7.2.2017
- Coram : Shri Gireesh B. Pradhan, Chairperson  
Shri A. K. Singhal, Member  
Shri A.S. Bakshi, Member  
Dr. M. K. Iyer, Member
- Petitioner : Power Grid Corporation of India Limited (PGCIL)
- Respondents : Bihar State Power (Holding) Company Limited and 5 others
- Parties present : Shri M.M. Mondal, PGCIL  
Shri S.S. Raju, PGCIL  
Shri Amit Anand, PGCIL  
Shri R.B. Sharma, Advocate, BSP (H)CL

**Record of Proceedings**

The representative of the PGCIL submitted that the instant petition covers Asset I: 1 No. 1x500 MVA ICT at 400/220 KV Subhasgram Sub-station along with the associated bays and 2 Nos. of 220 kV equipped line bays at 400 KV Subhasgram Sub-station and Asset II: Shifting of 2x50 MVAR line Reactor from Patna end of 400 kV Kahalgaon/Barh-Patna D/C line to Balia end of 400 kV Patna-Balia D/C line. Asset I and II were commissioned on 29.1.2015 and 11.2.2016 respectively. There is no time over-run in case of Asset-I. Asset-I was charged under no load conditions on 29.1.2015 as the downstream assets executed by WBSTECL were not commissioned. Therefore, prayed that COD of the Asset-I may be approved under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations. Time over-run of 10 months in case of Asset-II was due to loss



of 15 kilo litre oil from reactor during shifting which was recouped by vendor as per contractual provisions. Sought condonation of time over-run in case of Asset -II.

2. In response to the Commission's query as to whether there exists penalty clause, penalty levied on the transporter and what precautions were taken to prevent leakage, the representative of the petitioner submitted that same would be furnished.

3. Learned counsel for the BSP (H)CL submitted as under:-

a. There is cost over-run of 66% and 53% over the FR cost, in case of Asset I and II respectively. The petitioner has submitted RCE but the petitioner has not submitted the reasons and justification considered by the Board while approving the RCE. There is no proper justification for cost over-run. Therefore, the petitioner should justify the same;

b. The reasons for time over-run in case of Asset-II clearly falls within the controllable factors mentioned in Regulation 12 of the 2014 Tariff Regulations and hence the time over-run may not be condoned;

c. The petitioner may be directed to file the Transmission Service Agreement (TSA) entered by it with the beneficiaries;

d. The petitioner should have filed a separate petition for approval of DOCO as provided under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations.

e. The petitioner has not filed furnished the Effective Tax Rate. Further, the date from which the petitioner intends to claim the benefits of Section 80 IA of the Income Tax Act, 1961 i.e. the Tax Holidays needs to be furnished by the petitioner.

4. The Commission directed the petitioner to clarify the issues raised by the BSP(H)CL and the details of penalty clause and penalty levied/leviable on the contractor by 28.2.2017, with a copy to the beneficiaries. The Commission further directed the parties to comply with the directions within the specified dates and the information received after the specified date will not be considered. If no information is received, the matter will be decided on the basis already on record.

5. The Commission reserved the order in the matter.

By order of the Commission

sd/-  
(T. Rout)  
Chief (Law)

