

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 45/TT/2017

Subject : Determination of transmission tariff 2 assets under System Strengthening in Southern Region for import of power from Eastern Region for the 2014-19 tariff period.

Date of Hearing : 8.5.2018

Coram : Shri P.K. Pujari, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M. K. Iyer, Member

Petitioner : Power Grid Corporation of India Limited

Respondents : Karnataka Power Transmission Corporation Limited and 15 others

Parties present : Shri Vivek Kumar Singh, PGCIL
Shri S.S. Raju, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri Rakesh Prasad, PGCIL
Shri V.P. Rastogi, PGCIL
Shri S. Vallinayagam, Advocate, TANGEDCO

Record of Proceedings

The representative of the petitioner submitted that the instant assets were put into commercial operation within the timeline specified in Appendix-I as stated in Regulation 24(1) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and is thus eligible for additional RoE for 0.5%. The representative of petitioner further submitted that SRPC certificate dated 26.12.2017 was submitted in accordance with Regulation 24(2)(iii) of the 2014 Tariff Regulations alongwith affidavit dated 27.12.2017 and requested to allow additional RoW of 0.5%. He submitted that with the COD of the instant assets, all the assets covered in the instant scheme have been put into commercial operation. RCE has been submitted vide affidavit dated 10.1.2018. Rejoinder to the reply filed by TANGEDCO was also filed vide affidavit dated 10.1.2018 and 23.2.2018.

2. Learned counsel for the TANGEDCO submitted as under:-

(a) The estimated completion cost is more by 134.67% amounting to ₹2320.77 lakh when compared to the FR cost. The petitioner has not followed the benchmark costing and was not prudent while estimating the cost.



(b) No justification on escalation rate has been furnished and petitioner should submit the details of rate of customs duty as on date of investment approval and date of delivery of the equipment.

(c) The instant project includes foreign packages for GIS equipment however as per Form 6, no foreign component is involved in the capital investment. As per Form 5A, two components are off shore supply packages. The date of award and completion is given whereas the actual date of supply is not given and as such it is difficult to understand the variation in the FERV.

(d) There is huge variation in cost of some of the elements. The petitioner may be directed to exercise due care in preparation of cost estimates.

(e) The auxiliary bus module for spare transformer and spare line/reactor which are not in beneficial use should be excluded or removed from the capital cost of the existing and new projects.

3. The representative of the petitioner in response to the submission made by learned counsel for TANGEDCO submitted that detail reply has been submitted regarding the petitioner's policy in arriving at cost estimate and revised estimates, reasons for variation, inputs considered by Board of Directors at the time of approval.

4. The Commission gave liberty to the petitioner to clarify the issues raised by TANGDECO, if any, by 25.5.2018.

5. Subject to the above, the Commission reserved the order in the petition.

By order of the Commission

Sd/-

(T. Rout)
Chief (Law)

