

CENTRAL ELECTRICITY REGULATORY COMMISSION

Record of Proceedings

Petition No. 288/2009

Sub: Approval of transmission tariff for 400 kV D/C Siliguri-Purnea transmission line, 400 kV D/C Purnea-Muzaffarpur transmission line and 220 kV D/C Muzaffarpur (PGCIL)-Muzaffarpur (BSEB) transmission line in Eastern Region associated with Tala Hydro Electric Project, East-North inter-connector and Northern Region transmission system for the period from 2009-14.

Date of hearing : 24.6.2010

Coram : Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member

Petitioner : Powerlinks Transmission Ltd.

Respondents : PGCIL, WBSEB, DVC, BSEB, GRIDCO, PD, Govt. of
Sikkim and JSEB

Parties present : Shri Ajay Bagri, TPL
Shri Suresh Sachdev, TPL
Shri B.A.Chaudhari, TPL
Shri Nita Jha, TPL
Shri U.K.Tyagi, PGCIL
Shri M.M.Mondal, PGCIL
Shri R.B.Sharma, Advocate, BSEB

This petition has been filed by Powerlinks Transmission Ltd. for approval of transmission charges in respect of 400 kV D/C Siliguri-Purnea transmission line, 400 kV D/C Purnea-Muzaffarpur transmission line and 220 kV D/C Muzaffarpur (PGCIL)-Muzaffarpur (BSEB) transmission line in Eastern Region associated with Tala Hydro Electric Project, East-North inter-connector and Northern Region transmission system for the period 1.4.2009 to 31.3.2014, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (herein after referred to as the 2009 regulations).

2. Learned counsel for the BSEB stated that he would file reply shortly.
3. The representative of the petitioner submitted that Hon'ble Commission vide its order dated 30.7.2009 in Petition No. 65/2009 had already approved a project cost of Rs. 707.19 crores as on 1st April 2009 and there was a projected additional capitalization of Rs. 2.98 crores for this line and tariff petition has been filed taking the project cost as on 1.4.2009 and the projected additional capital expenditure.
4. The representative of the petitioner submitted that location No. 87/0 of 400 kV D/C Siliguri-Purnea line has been badly affected by the change in the course of River Parman during last three years. At the time of construction in year 2004, the tower was at a safe distance from the river. In year 2006, the distance was reduced due to advancement of river. However, the river continued changing its course in 2007 also. In order to safeguard tower foundation from erosion of the soil, as an immediate measure, the protection work was carried out with the help of sandbags and wooden logs. Recently the change in river course and associated flood has eroded the river bank completely and the river is only a few meters away from the tower. This location needs to be protected urgently against further erosion of soil caused by change in course of the river. As a permanent remedial measure, it has been therefore decided to construct a new foundation using RCC Pile. The change of river course ought to be considered as a Force Majeure event since it is an act of God and the petitioner has absolutely no control on such events. Accordingly, an additional capital expenditure of Rs. 291 crore has been claimed in the petition.
5. Learned counsel for the BSEB submitted that the pile foundation at location No. 87/0 was an O & M activity and the petitioner should not include this on the capital expenditure and this expenditure should have been considered while constructing the transmission line. Learned counsel for the BSEB pointed out that the petitioner had sought relaxation under regulation 10 of the 2009 regulations which pertained to Renovation and Modernization (R&M). He further added that for this purpose, the petitioner should take approval of the Commission as per 2009 regulations. The representative of the petitioner clarified that additional capital expenditure has been inadvertently claimed under Regulation 10 of the 2009 regulations and sought permission of the Commission to rectify the mistake and claim the expenditure under clause 9 (2) (v) of 2009 regulations.
6. The petitioner submitted that the Random Rubble Revetment wall could not protect the foundation of the tower at this location. Hence pile

foundation at that location had to be resorted to and the work of pile foundation at that location was being carried out on priority as the meandering river Parman was fast approaching the transmission tower. In this regard, the representative of the respondent, Power Grid Corporation of India Ltd. submitted that pile foundation becomes necessary if the tower is in the river bed.

7. Learned counsel for the BSEB pointed out that the petitioner had not highlighted the issue of tax holiday and MAT. The petitioner should clarify this issue. He further submitted that tax holiday was available from the date of the commercial operation of the project and it was to be utilized within the period of 15 years. Learned counsel further submitted that tax has become integral part of the 2009 regulations. Learned counsel also submitted that tax holiday was also applicable to companies availing MAT. In this regard, learned counsel relied on paras 14.2, 14.3 and 14.4 of the Statement of Reasons of the 2009 regulations. He submitted that petitioner be directed to file an affidavit on the tax benefit being availed by it during the tax holiday.

8. The Commission directed the petitioner to file details of pile foundation and the tax benefit availed by it on account of tax holiday on affidavit latest by 16.7.2010 with an advance copy to the respondents, who may file rejoinder, if any, latest by 30.7.2010.

9. Subject to above, order in the petition was reserved.

Sd/-
(T.Rout)
Joint Chief (Law)