

CENTRAL ELECTRICITY REGULATORY COMMISSION

Record of Proceedings

Petition No. 89/2010

Sub: Determination of transmission tariff for 400 kV S/C RAPP-Kotal line along with 80 MVAR BUS Reactor and 400 kV/220 315 MVA ICT-I and ICT-II at Kota sub-station and ICT-III at Kankroli sub-station along with associated bays at Kota and Kankroli sub-stations under transmission system associated with RAPP 5 & 6 for tariff block period 2009-14 period in Northern Region.

Date of hearing : 10.8.2010

Coram : Dr Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member

Petitioner : Power Grid Corporation of India Ltd., Gurgaon

Respondents : RRVPNL, AVVNL, JVVNL, JdVVNL, HPSEB, PSEB, HPPC, J&K, UPPCL, DTL, HPSEB, Chandigarh Administration, UPCL, NCR, BSES Yamuna, BSES Rajdhani, NDPL, Chandigarh Admn., UPCL, NCR and NDMC.

Parties present : Shri U.K.Tyagi, PGCIL
Shri Rajee Gupta, PGCIL
Ms. Sangeeta Edwards, PGCIL
Shri Padmjit Singh, Consultant, HPCC
Shri T.P.S.Bawa, Consultant, HPCC
Shri G.M.Agarwal, UPPCL

This petition has been filed for approval of transmission tariff in respect of 400 kV S/C RAPP-Kotal line along with 80 MVAR BUS Reactor and 400 kV/220 315 MVA ICT-I and ICT-II at Kota sub-station and ICT-III at Kankroli sub-station along with associated bays at Kota and Kankroli sub-stations under transmission system associated with RAPP 5 & 6 for tariff period 2009-14 in Northern Region,, based on the Central Electricity

Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (herein after referred to as` the 2009 regulations).

2. The representative of the Haryana Power Purchase Centre (HPCC) submitted that there was delay in the commissioning of the transmission elements and the reasons given in petition for the delay are not fully justified. The increase in capital cost due to time over-run should be shared by the petitioner and the beneficiaries in the ratio of 50:50. He requested to disallow at least 50% of the increase in capital cost due to time over-run. In response, the representative of the petitioner submitted that there was price variation and subsequently there was increase in IDC, which was beyond the control of the petitioner.

3. The representative of the HPCC further submitted that on examining the details given in Form 5B, it is observed that there was considerable saving on the cost of tower steel but there was substantial increase in the cost of other items such as conductors and insulator, etc. He requested the Commission to direct the petitioner to provide the detailed justifications for cost over-run of each item.

4. In regard to delay in supply of transformers due to shortage in CRGO steel, the Commission directed the petitioner to explain whether there was any documented material from the supplier. In response, the representative of the petitioner submitted that letters from the supplier, IEEMA etc and Ministry of Power were enclosed with the petition. On a query of the Commission in respect of invoking of the contract provisions for Liquidated Damage (LD), the representative of the petitioner submitted that the LD for the assets in the petition would be considered in totality after closure of the contract and the LD, if any will be adjusted against the capital expenditure.

5. The representative of the HPCC raised the issue of multi circuit towers in 28 kms stretch of the 400 k V S/C RAPP-Kota line. He contended that since the petition was filed for determination of transmission tariff for the transmission system associated with RAPP 5 & 6 and the multi circuit towers were constructed for the evacuation of power from RAPP 5 & 6 also and the beneficiaries of transmission system should not be made responsible for payment of the whole capital cost of the transmission line. He suggested that there should be some cost sharing mechanism between the beneficiaries of RAPP 5& 6 and RAPP 7& 8 transmission system for the 28 kms stretch of multi circuit towers. The representative of

the HPCC also submitted that RAPP 7 and 8 were estimated to be commissioned not before 2016 and therefore, the beneficiaries of RAPP 5 & 6 should not be burdened with the cost for the transmission system associated with RAPP 7 & 8.

6. In response, the representative of the petitioner clarified that the decision in regard to multi towers was taken with the consent of the beneficiaries in different forums and keeping in view the Right of Way (ROW) problem.

7. The representative of the HPCC requested the Commission to direct the petitioner to furnish the information regarding the number of circuits, the project for which the particular circuits were constructed and the associated cost of each of these circuits in the 28 kms multi circuit stretch of the 400 kV S/C RAPP-Kota transmission line. The Commission directed the petitioner to submit the said information on affidavit latest by 31.8.2010, with an advance copy to the respondents. It was also clarified that with the new transmission charges sharing mechanism, the issue would be resolved.

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

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(T.Rout)
Joint Chief (Law)