

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

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

Date of hearing: 15.9.2011

Petition No. 34/2011

Subject: Petition for determination of Combined Transmission Tariff upto the date of commercial operation and estimated additional capital expenditure projected to be incurred from expected date of commercial operation to 31.3.2012 for assets (i) 400 kV D/C Abdullapur- Sonapat transmission line along with 400 kV associated bays at Abdullapur and Sonapat sub-station and (ii) 400 kV 125 MVAR Bus Reactor with associated bays at Abdullapur under System Strengthening in Northern Region Grid for Karcham Wangtoo HEP in NR-II for tariff block 2009-14 period.

Petitioner : Power Grid Corporation of India Limited, Gurgaon
Respondents : Delhi Transco Ltd. and others
Parties present : Shri Rajeev Gupta, PGCIL
Shri S.S. Raju, PGCIL
Shri Padamjit Singh, PSPCL
Shri T.P.S Bawa , PSPCL

Record of Proceedings

The representative of the petitioner, Power Grid Corporation of India Ltd, submitted that this petition has been filed for determination of transmission tariff of two elements connected with System Strengthening in Northern Region Grid for Karcham Wangtoo HEP in NR-II i.e. 400 kV D/C Abdullapur-Sonapat transmission line along with 400 kV associated bays at Abdullapur and Sonapat substation and 400 kV 125 MVAR Bus Reactor with associated bays at Abdullapur . Both assets have been commissioned on 1.3.2011 and 1.4.2011 respectively. Investment approval for these assets was accorded in December 2008 and the scheduled date of completion of the projects is 33 months from the date of approval i.e. October 2011. These assets have been commissioned ahead of the schedule in

March 2011 and April 2011. The time schedule given in the 2009 tariff regulations for such type of projects is 30 months from the date of investment approval whereas the projects have been completed in 28 months. Accordingly, the petitioner has claimed additional ROE of 0.5% for both these assets which may be allowed by the Commission. He further submitted that the petitioner has replied to the queries raised by the Commission vide affidavits dated 5.5.2011 and 19.8.2011 and has also revised the tariff claim in respect of Abdullapur-Sonepat transmission line.

2. The representative of the petitioner further submitted that in the affidavit subsequently filed, it has been stated that the actual spares for the projects have exceeded the ceiling norms of spares under the 2009 tariff regulations. Since the projects were conceptualized during 2004-09 period, a prayer has been made to consider the spares for the projects as per the 2004 tariff regulations by invoking the power to relax.

3. The representative of Punjab State Power Corporation Limited (PSPCL), respondent No.6 in the petition, submitted as under:

(a) As per the single line diagram at page 27 of the petition, power is to be injected from Karcham Wangtoo HEP at Abdullapur and from Abdullapur, further evacuation has to take place to Sonepat. Except for the evacuation of power from Karcham Wangtoo HEP, the line from Abdullapur to Sonepat would not have been justified at all.

(b) As per the investment approval at page 17 of the petition, Abdullapur-Sonepat line was meant for evacuation of power from Karcham Wangtoo HEP. The minutes of the 63rd Operating Coordination Committee meeting of NRPC states that Karcham Wangtoo HEP is being operated as a merchant plant. Moreover, the Regional Energy Accounts issued by NRPC shows only bilateral sale from the generating station on merchant basis. Therefore, Karcham Wangtoo HEP being a purely merchant generating station, the question arises as to how the transmission charges of Abdullapur-Sonepat transmission line are to be shared.

(c) The petitioner in para 10 of the petition has submitted that the transmission charges shall be shared in accordance with Regulation 33 of 2009 tariff regulations. In accordance with the provisions of Regulation 33(7) of 2009 tariff regulations and Regulation 7(t)(v) of the Sharing of transmission charges and losses regulations, the generating company has to pay the transmission charges/point of connection charges and nothing should be recovered from the beneficiaries.

- (d) The petitioner should have made the generating company, Karcham Wangtoo HEP, a respondent in the petition since the transmission charges/PoC charges shall be borne by it.
- (e) Regarding the decision in the 9th TCC/10th NRPC meeting held on 29 and 30 September 2008 respectively on sharing of transmission charges payable by regional constituents, it was submitted that Karcham Wangtoo HEP at that time had an agreement with PTC India Ltd. for supply of 700 MW power to Northern Region beneficiaries. Since the agreements have been nullified, the generating station should be treated as a purely merchant plant and the transmission charges should not be loaded on the Northern Region beneficiaries.
- (f) Karcham Wangtoo HEP-Abullapur transmission line which is being jointly developed by the petitioner with Jay Prakash has not been commissioned. Since Abdullapur- Sonepat transmission line covered in the present petition cannot be utilized for evacuation of power from the Karcham Wangtoo HEP without the commissioning of Karcham Wangtoo HEP-Abullapur transmission line, the additional RoE claimed in the petition for early commissioning of this transmission line is not justified and should not be allowed.

4. The representative of the petitioner in his rejoinder submitted as under:

- (a) In meetings of 23rd Standing Committee held on 16.2.2008, it was clearly minuted in para 5.2 that transmission charges for Abdullapur-Sonepat and Sonepat-Bahadurgarh lines would be payable as soon as they are commissioned and not linked to commissioning of Karcham Wangtoo HEP or any other generating station. It clearly establishes that it is a regional scheme and accordingly, the transmission charges are to be paid by the regional beneficiaries.
- (b) In the 25th Standing Committee, the pre-ponement of the transmission assets as regional system strengthening scheme and sharing of transmission charges by the regional constituents was agreed.
- (c) In NRPC also, it was agreed that the commissioning of Abdullapur-Sonepat transmission line would be pre-poned with the transmission charges payable by the regional constituents from the date of early commissioning.

5. The Commission directed the petitioner to file the following information on affidavit latest by 10.10.2011, with an advance copy to the respondents:

- (i) Detailed justification for claiming of additional 0.5% ROE for bus reactor on account of the fact that there is no stipulated time line for commissioning of a bus reactor in the 2009 regulations; and
- (ii) Copy of the relevant minutes of the meetings.

6. PSPCL and other respondents were allowed to file their response by 20.10.2011 and the petitioner to file its rejoinder, if any, by 30.10.2011.

7. Subject to the above, order was reserved in this petition.

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