

**Central Electricity Regulatory Commission
New Delhi**

RECORD OF PROCEEDINGS

Petition No. 86/2011

Subject: Petition for determination of transmission tariff for transmission system associated with Farakka III in Eastern Region from DOCO TO 31.3.2011

Date of Hearing: 22.12.2011

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

Petitioner: PGCIL, New Delhi

Respondents: BSEB & 5 others

Parties present: Shri S.S. Raju, PGCIL
Shri Rajeev Gupta, PGCIL
Shri R.B. Sharma, Advocate, BSEB and JSEB

The present petition has been filed by PGCIL for determination of transmission tariff for transmission system associated with Farakka III in Eastern Region (hereinafter referred to as the "transmission system"). The representative of the petitioner, PGCIL, submitted as under:-

- (a) The investment approval for the transmission system was accorded by the Board of Directors of PGCIL on 10.12.2008 and the commissioning schedule of the project was 30 months from the date of investment approval which works out to 30.6.2011. As against this, the transmission system was actually commissioned on 1.9.2011. The delay of 2 months was mainly on account of a change in termination arrangement at Kahalgaon end of NTPC due to reallocation of bays, which resulted in few changes in route of line requiring additional foundation. Though the Eastern Region Standing Committee Meetings on Power System Planning were held on 20.9.2010 and 29.12.2010, PGCIL got the formal communication to this effect from NTPC Limited on 25.3.2011. Since it was for reasons beyond the control of the petitioner, PGCIL is requesting the Commission to condone the delay;
- (b) PGCIL have received replies from BSEB and JSEB, and have filed rejoinders to the same;

(c) The representative of the PGCIL also invoked the provision of regulation 44 (Power to Relax) of 2009 regulations so that the initial spares be allowed in full, as included in the capital cost, to facilitate reliable operation of the system.

2. The learned counsel for BSEB and JSEB, respondent Nos. 1 and 6 respectively submitted as under:-

(a) While investment approval for the project was for an amount of ₹ 20407 lakh, the actual expenditure on transmission system would be ₹ 13372 lakh. This means a huge over-estimation;

(b) PGCIL have in their affidavit dated 10.8.2011 given details of length and cost of transmission line for assets, and the cost includes Foundation: 6 Nos- abandoned 4 Nos and 2 new. The cost of this abandoned work has been included in the cost even though it is of no use to the beneficiaries. Moreover, PGCIL had the knowledge of the change in termination arrangement at Kahalgaon end of NTPC, being the convenor of the said meeting of the Eastern Region Standing Committee Meetings on Power System Planning. The amount arising out of this may therefore be disallowed.

(c) Learned counsel for the respondents had also raised an objection to the request of the PGCIL to allow initial spares in full, as included in the capital cost, to facilitate reliable operation of the system, by invoking the "Power to relax", which he said, should be invoked in the rarest of rare circumstances.

4. Order in the petition was reserved.

Sd/-

(T.Rout)
Joint Chief (Law)
28.21.2011