

**Central Electricity Regulatory Commission
New Delhi**

Petition No. 145/2009

Subject : Approval of transmission tariff for 400 kV Korba Transmission System in Western Region for the period from 1.4.2009 to 31.3.2014.

Date of Hearing : 7.6.2011

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

Petitioner : Power Grid Corporation of India Ltd., Gurgaon

Respondents : MPPTCL, MSEDCL, GUVNL, ED, Govt. of Goa, ED-Admn. of Daman & Diu, ED- Admn. D & NH, CSEB and MPAK.

Parties present : 1. Shri S.S Raju, PGCIL
2. Shri M.M Mondal, PGCIL
3. Shri Manoj Dubey, MPPTCL

RECORD OF PROCEEDINGS

This petition has been filed by the petitioner, Power Grid Corporation of India Limited for approval of transmission tariff for 400 kV Korba Transmission System (hereinafter referred to as 'the transmission system') in Western Region from 1.4.2009 to 31.3.2014, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as the 2009 regulations).

2. The representative of the petitioner submitted that additional capital expenditure of ₹ 543.78 lakh, ₹ 150.97 lakh, ₹ 211.57 lakh and ₹ 734.75 lakh incurred/projected to be incurred during the years 2009-10, 2010-11, 2011-12 and 2012-13, respectively on account of Circuit Breakers (CBs), Lightning

Arresters (LAs), Protection Coupler System (NSD-60), Spare Reactors and strengthening of towers for 400 k V Itrasi-Indore Ckt-II for the transmission system have been claimed in the petition along with the proposal for corresponding de-capitalisation.

3. The representative of MPPTCL submitted that it has filed its reply on 7.6.2011 with copy to the petitioner. The Commission observed that MPPTCL should file its reply well in advance in its own interest for meaningful discussion during the hearing.

4. The representative of MPPTCL submitted that additional capital expenditure for spare Smoothing Reactor has been claimed under Regulation 9(2)(v) of 2009 regulations whereas the expenditure is in the nature of R&M and should have been claimed under Regulation 10 of 2009 regulations.

5. The representative of the petitioner submitted that since the asset has not completed its useful life and the spare Smoothing Reactor is necessary for successful and efficient operation of the transmission system, additional capital expenditure has been claimed under Regulation 9 (2) (v) of the 2009 regulations.

6. In response to Commission`s query as to whether the Air Blast Circuit Breakers (ABCBs) were covered under normal maintenance and the necessity for replacement of these equipments, the representative of the petitioner clarified that these are high value items and cannot be covered under normal maintenance. He further clarified that the ABCBs are phased out of production by the Original Manufacturers (OEM). Since the ABCBs are having frequent air leakages and the pilot valve assembly was failing frequently, it has not been possible to source the spares from the existing vendors. The representative of

the petitioner further clarified that control valve is a specialized spare part having piston arrangement inside the bore.

7. The Commission directed the petitioner to submit the list of spares which are required for maintenance of ABCBs and the list of spares which the petitioner is unable to procure from the existing vendors.

8. In reply to another query of the Commission whether the ABCBs are still in operation, the petitioner clarified that some of the equipments have been replaced in order to avoid damage to the outgoing transmission lines from the substation. The petitioner further submitted that a Committee constituted to investigate grid disturbance had recommended that all obsolete breakers should be replaced.

9. In response to Commission's query whether the sub-station has already completed useful life of the 25 years since the ABCBs were commissioned in early 1980's, the representative of the petitioner clarified that various elements of the Korba sub-station were commissioned during different periods and only some elements of the Korba sub-station have completed 25 years of service. The petitioner has claimed additional capitalization since the entire sub-station has not completed 25 years of life for claiming R&M.

10. In response to Commission's query with regard to OEMs recommendation on the level of furans in three reactors, the representative of the petitioner explained that there is no discrete limit for furans but there is definitely a problem when there is a trend towards increasing furans. Further, the representative of the petitioner submitted that the furans should not appear in the oil under normal degradation of insulating craft paper. That the reactors have completed 90% of the life and it might fail at any time. The petitioner

clarified that it would forward the test results to the OEM for their comments. These reactors would not be available off the shelves and need procurement plan in advance.

11. The Commission directed the petitioner to file on affidavit the following information, latest by 29.7.2011, with an advance copy to the respondents:

- (a) List of spares required for maintenance;
- (b) List of spares, which cannot be procured from the existing manufacturers;
- (c) The CPRI's observations and recommendations on the degradation of the reactor; and
- (d) Details of data showing the fault level increased from 40kV to 50kV in the Korba sub-station.
- (e) The recommendation of the OEM on allowable levels of furan in the reactor and the life of the reactor.

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

Sd/-

(T. Rout)
Joint Chief (Law)