

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 332/2010

Sub: Approval of final transmission tariff for the period 2009-14 and estimated additional capitalization projected to be incurred from the date of commercial operation to 31.3.2014 for (i) combined assets of LILO of Ramagundam-Khammam transmission line Warangal sub-station, Neyveli-Pugalur-Madurai 400 kV D/C transmission line, Udumalpet-Arasur 400 kV D/C line along with 400/220 kV sub-station at Arasur and associated bays at Udumalpet, and LILO of Neyveli- Sriperumbuder 400 kV S/C line at Pondicherry sub-station with associated bays for the period from 1.8.2010 to 30.9.2010, (ii) Combined asset of LILO of Ramgundam-Khammam transmission line at Warangal sub-station, Neyveli-Pulalur 400/220 kV S/C line at Pondicherry sub-station with associated bays and 2 nos of 50 MVAR line reactors at Pulgalur 400/220 kV sub-station along with associated bays at Pugalur for the period from 1.10.2010 to 31.3.2014, (iii) Combined assets of 2x315 MVA Auto-transformer and 400/220 kV bays equipment at Pugalur sub-station and 2 nos 315 MVA ICTs along with associated bays and 220 kV downstream equipment at Arasur 400/220 kV sub-station for the period from 1.8.2010 to 31.3.2014, and (iv) 2 nos. of 400/230 kV 315 MVA ICTs along with associated bays and downstream equipment at 400/230 kV Puducherry sub-station for the period from DOCO to 31.3.2014 under "Transmission System associated with Neyveli Lignite Corporation – II (NLC-II) Expansion Project" in Southern Region for tariff block 2009-14 period.

Date of hearing : 7.6.2011

Coram : Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deen Dayalam, Member

Petitioner : Power Grid Corporation of India Limited, Gurgaon

Respondents : Karnataka Power Transmission Company Ltd. & Others

Parties present : 1. Shri S.S. Raju, PGCIL
2. Shri R.R. Patel, PGCIL
3. Shri M.M. Mondal, PGCIL

Record of Proceedings

This petition has been filed by the petitioner, Power Grid Corporation of India Limited for determination of transmission tariff for transmission system associated with Neyveli Lignite Corporation-II (NLC-II) Expansion Project" in Southern Region for period from date commercial operation 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 the no reply has been received from any of the respondents.

3. The representative of the petitioner also submitted that the assets mentioned in the petition have been commissioned progressively between the months of August, 2010 and October, 2010. In response to the query of the Commission whether these assets were in use as the NLC-II Expansion Power Project was yet to be commissioned, the representative of the petitioner clarified that these assets were parallel lines and hence, power flows are taking place. These assets have been commissioned after detailed discussion in consultation of the Southern Regional Power Committee.

4. The representative of the petitioner submitted that there was delay in commissioning of the assets. He further clarified that prior to 2009 regulations, there was no provision regarding time line for completion of the projects and as a result, the commissioning of the transmission assets was scheduled to match with the commissioning of the generating station. Since the subject assets were approved before the 2009 regulations, the petitioner had delayed the commissioning of the project to match with the commissioning the generation project of NLC.

5. The Commission observed that the Indemnification Agreement (IA) between Power Grid and NLC should take care of the delay in commissioning of the project by either of the parties and the petitioner should not have delayed the commissioning of its assets on account of delay by NLC.

6. The Commission also observed that there were delays in commissioning of 2 Nos. of reactors at the Pugalur 400/220 kV sub-station. The representative of the petitioner clarified that because of the problem in reactors, they had to be sent back to the manufacturer and hence, there was delay in commissioning of the reactors. The representative of the petitioner further submitted that these were beyond the control of the petitioner and requested for condonation of delay in commissioning the project. The Commission directed the petitioner to invoke liquidated damages (LD) in the Implementation Agreement clause and claim the amount from the supplier.

7. The representative of the petitioner further submitted that with regard to total two nos. 315 MVA ICTs along with associated bays and 220 kV downstream equipment at Arasur sub-station, the auditor certificate was issued considering expected date of commercial operation of ICTs as 1.8.2010, however, ICT-I and ICT-II at Arasur sub-stations were commissioned w.e.f 1.8.2010 and 1.9.2010, respectively.

8. The Commission directed the petitioner to file, on affidavit, latest by 30.6.2011, with an advance copy to the respondents, separate Chartered Accountant's certificate for both the assets from their respective date of commercial operation along with, segregation of additional capital expenditure, if any, from 1.8.2010 to 30.8.2010 and 1.9.2010 to 31.3.2011 for the 315 MVA ICT- I at Arasur sub-station.

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

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