

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Record of Proceedings**

**Petition No: 314/2010**

Subject : Determination of Transmission Tariff for combined assets of Asset-1: (a) 30% FSC on 400 kV Bareilly-Mandola Ckt-1 & Ckt-2 at Bareilly (DOCO : 1.4.2010); (b)45% FSC on 400 kV D/C Unnao-Bareilly Ckt-1 & Ckt-2 at Unnao end (DOCO 1.4.2010); and (c) 30% FSC on 400 kV Gorakhpur-Lucknow Ckt-1 at Lucknow (DOCO 1.4.2010) and Asset-2: 30% FSC on 400 kV Gorakhpur-Lucknow Ckt-2 at Lucknow (DOCO 1.7.2010) under System associated with enhancement of transmission capacity in East-West corridor for tariff block 2009-14 period in Northern Region.

Date of hearing : 17.4.2012

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

Petitioner : PGCIL

Respondents : Rajasthan Rajya Vidyut Prasaran Nigam Limited and 16 others.

Parties present : Shri Padamjit Singh, PSPCL  
Shri S.S Raju, PGCIL  
Shri M.M. Mundal, PGCIL  
Shri Rajeev Gupta, PGCIL  
Shri TPS Bawa, PSPCL  
Shri R.B Sharma, BRPL

The representative of the petitioner submitted that as per the Investment Approval, dated 27.10.2006, the scheduled commissioning of the scheme was 24 months from the date of issue of first letter of award, i.e. 30.7.2007. The Asset I was commissioned on 1.4.2010 and Asset II was commissioned on 1.7.2010. There was a delay of 8 months in commissioning Asset-1 and 11 months in commissioning Asset-2.

2. The representative of the petitioner submitted that the reasons for delay in commissioning the assets were given in affidavit dated 16.8.2011. He further submitted that the assets covered in the petition are Fixed Series Compensation (FSC) on the existing transmission lines. The delay in getting the shutdown of the existing lines resulted in delay in commissioning of the assets. He further submitted that for FSC on 400 kV D/C Unnao-Bareilly Ckt-I and II at Unnao end, the work was to be carried out in

Unnao sub-station of UPPCL and there was delay in getting old drawings and hence there was delay in commissioning the asset. It was also submitted that due to heavy and abnormal rainfall from August to September 2008 the work at FSC in Gorakhpur-Lucknow was disrupted and work could not be carried out till February 2009. He requested to condone the delay in commissioning of the assets as it was beyond the petitioner's control.

4. The representative of the petitioner submitted that the FSC is specialized electronic equipment which requires higher initial spares. The petitioner has requested to allow initial spares of 5.185% of the estimated completion cost in case of Asset-1 and 5.192% of the estimated completion cost in case of Asset-2, against the 3.5% norms specified in the 2009 regulations. He requested to allow higher initial spares claimed in the interest of power security and reliability.

5. In response to the Commission's query, the representative of petitioner submitted that shutdown of the existing line was not available for 3-4 months. He further submitted that the request for the shutdown was verbally conveyed to NRLDC and no documentary proof is available. The Commission observed that the delay of almost one year cannot be attributed to rain. The Commission also observed that it is due to lack of planning on the part of the petitioner.

6. The learned counsel for the BRPL submitted that the reply would be filed within 10 days. He submitted that the question of shutdown is usually discussed in the OCC meetings of respective RPC's and minutes of these meetings must have record of shutdown. He also raised the issue of over estimation of the cost of the subject asset.

7. The learned counsel for PSPCL submitted that under Regulation 3 (12) (c) of the 2009 regulations, for declaration of date of commercial operation, the assets should be in regular service after successful charging and trial operation. He emphasized the need for trial operation before declaration of DOCO. Some of the elements of the project were test charged and commissioned on the same day, i.e. test charged on 31.3.2010 and was declared DOCO on 1.4.2010, implying that there was not time for trial operation. He further submitted that during the period 1.4.2010 to 30.6.2010, only one circuit of Gorakhpur-Lucknow line was having 30% FSC and the series compensation on this circuit would have resulted in different power flows in two lines and hence the FSC was not utilized fully. He further submitted that the tariff for the FSC on both the circuits on this line should be charged with effect from 1.7.2010 i.e. when the FSC on the second circuit was commissioned.

8. The representative of PSPCL further submitted that the timeline for commissioning the assets was prescribed by the petitioner and condition of shutdown was also known to the petitioner, therefore, the delay in commissioning of the assets should not be condoned. Under section 38 (2) (b), the petitioner, being a Central Transmission Utility is mandated to coordinate with state transmission utility. The delay is due to lack of coordination with UPPCL and hence the delay should not be condoned.

9. The learned counsel for the PSPCL further submitted that the petitioner should submit the compensation achieved in the subject lines. He also submitted that the petitioner should submit the actual additional capital expenditure during the year 2011-12. He also submitted that the O&M charges should be allowed as per the 2009 regulations.

10. In response to the submissions made by BRPL, the representative of the petitioner submitted that the actual cost variation was about only 14%. The Commission observed that there is cost over estimation not only in this case but also in few other cases in spite of time overrun. He further submitted that shutdown records mentioned in the minutes of the meeting, if available, would be submitted.

11. In response to the submissions made by PSPCL, the representative of the petitioner submitted that the date of commercial operation of the assets was as per the regulations. He further submitted that the actual value of compensation achieved would depend upon prevailing system conditions.

12. The Commission directed the petitioner to submit the following:-

(a) The details, along with relevant documents, of delay due to non-availability of shutdown including the period and dates for which shutdown was requested, the period and dates of actual shutdown approved and consequent delay in shutdown and construction work.

(b) Rejoinder to the reply filed by respondents.

13. Subject to the above, order in the matter was reserved.

**By order of the Commission,**

Sd/-  
(T. Rout)  
Joint Chief (Law)  
25.4.2012