

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

Petition No: 96/TT/2011

- Subject : Determination of Transmission Tariff for combined assets of Asset-1: LILO of Nalagarh-Kaithal line at Patiala along with associated bays and 125 MVAR Bus Reactor at Patiala and Asset-2: 400/220 kV 500 MVA ICT's both at Patiala and Malerkotla S/S along with bays under Northern Region Strengthening Scheme-XIV (NRSS-XIV) of Northern Region, 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 the petition is for determination of transmission tariff of Northern Region Strengthening Scheme-XIV (NRSS-XIV) of Northern Region. He further submitted that the additional capital expenditure has been claimed under Regulation 9 (2) (v) read with Regulation 7 of CERC (Terms and Conditions of Tariff Regulations), 2009 (herein after referred to as "2009 regulations").

2. The representative of the petitioner also submitted that the investment approval was accorded in February, 2009 and the scheme was to be commissioned within 30 months from the date of investment approval. The scheduled date of commercial operation of the assets was 1.9.2011. The LILO of Second Circuit of Nalagarh-Kaithal 400 kV line and the Patiala 400/220 KV (Powergrid) sub-station (extension)-1X500 MVA 400/220 kV Transformer were commissioned on 1.9.2011. The

Malerkotla 400/220 kV sub-station (extension) - 1X500 MVA 400/220 kV transformer and 125 MVAR Bus Reactor at Patiala were commissioned on 1.10.2011 and there was a delay of one month in commissioning of both these assets. He requested to condone the delay of one month and to allow additional Return on Equity of 0.5% for commissioning the LIL0 of second circuit of Nalagarh-Kaithal 400 kV line at Patiala and for Patiala 400/220 kV sub-station (extension) 1X500 MVA 400/220 kV transformers within the timeline specified in the Appendix-II of 2009 regulations.

3. The learned counsel for BSES Rajdhani Power Limited (BRPL) sought some more time to file reply and submitted that additional RoE of 0.5% is allowed only if all the assets of the scheme are completed within the timeline specified in the 2009 regulations. Since, 4 Nos. of 220 kV bays at Malerkotla sub-station are yet to be commissioned, the petitioner is not entitled for additional Return on Equity. He further submitted that the actual completion cost is lower than the approved cost and there is over-estimation of capital cost.

4. The representative of Punjab State Power Corporation Limited (PSPCL) submitted that for declaration of DOCO as per Regulation 3(12)(c) of the 2009 regulations, the subject asset should be in regular service after successful charging and trial operation. He emphasized the need of trial operation before declaration of DOCO. Referring to the daily power supply position report issued by NRLDC for 30.9.2011, he submitted that some elements of the project were declared under commercial operation barely after half an hour or after few hours of test charging. He submitted that the trial operation is not possible within such a short period and the requirement of the regulations is not fulfilled as the project was not sufficiently charged for declaration of commercial operation.

5. The representative of PSPCL further submitted that telemetry was not installed at the time of declaration of date of commercial operation for the ICT at Malerkotla and as a result they were imposed ₹16 crore Unscheduled Interchange (UI) charges. He also submitted that 4 Nos. 220 kV bays Malerkotla was not commissioned and the new ICT is utilized for evacuation of power through existing 220 kV line bays. He also submitted that there is a huge over-estimation of capital cost and he submitted that the original estimate for outdoor lightning in LIL0 of second circuit of Nalagarh-Kaithal 400 kV line at Patiala of was ₹107.09 lakh whereas the actual expenditure is only is ₹32.73 lakh.

6. The representative of PSPCL further submitted that the petitioner should not be allowed additional Return of Equity of 0.5% and time over-run should not be condoned. He also submitted that the petitioner may be directed to submit the actual additional capital expenditure during 2011-12.

7. In response to PSPCL'S submission, the representative of the petitioner submitted that the date of date of commercial operation is as per the regulations and the actual additional capital expenditure would be submitted at the time of truing up. He also submitted that except for 4 Nos. 220kV bays at Malerkotla, the whole project has been commissioned and hence additional RoE of 0.5% may be allowed. As regards higher

estimate of outdoor lightning, he submitted that the actual expenditure is much less than the estimated cost and clarified that they would check the lightning cost.

8. The Commission directed the petitioner to-
 - (a) give reasons for higher cost estimates, especially the outdoor lightning and
 - (b) submit rejoinder to the reply filed by respondents.

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

By order of the Commission,

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