

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

Petition No. 326/2010

Subject : Approval under Regulation 86 for transmission tariff for Rihand Transmission System in Northern Region for the period from 1.4.2009 to 31.3.2014.

Date of hearing : 22.3.2012

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

Petitioner : PGCIL

Respondents : Uttar Pradesh Power Corporation Limited and 16 others

Parties present : Shri S.S Raju, PGCIL
Shri M.M. Mondal, PGCIL
Shri Rajeev Gupta, PGCIL
Shri T.P.S. Bawa, PSPCL

The representative of the petitioner submitted as under:-

- (a) The petition is for determination of transmission tariff of various lines and sub-stations of Rihand Transmission System in Northern Region for the tariff period 2009-14, based on the capital cost admitted by the Commission as on 31.3.2009, vide order dated 29.2.2008 in Petition No.96/2004.
- (b) The assets covered under the current petition are: - (a) Asset-I i.e. HVDC Portion of Rihand Transmission system and (b) Asset-II i.e. AC portion of the Rihand Transmission System.
- (c) During 2004-09 period, the entire Rihand Transmission System was a combined asset, but in the 2009-14 period the HVDC and AC portion are treated as different assets because of different Normative Target Availability. The proposed additional capital expenditure during 2009-14 has been

claimed under Regulation 9 (2) (v) read with Regulation 7 of CERC (Terms and Conditions of the Tariff Regulations), 2009.

- (d) The committee comprising experts from CEA and PGCIL investigated the incidents of tower collapses on various transmission lines of PGCIL and recommended tower strengthening work. There were 7 tower collapses in Kanpur-Ballabgarh line, 5 tower collapses in Ballabgrah-Dadri line and 2 tower collapses in Dadri-Mandola line. The committee visited all the 3 locations and recommended hip bracing of the towers. Hence, tower strengthening of all the three lines under Asset II is proposed during the Financial Years 2011-12 and 2112-13.
- (e) ICT at Ballabgarh sub-station, under the Rihand Transmission Sytem, failed during May 2006. Due to failure of 2 ICTs at Mandola in quick succession and 1 ICT at Ballabgarh it became difficult to meet the load demand of Delhi with remaining 3 ICTs Ballabgarh and 2 ITCs at Mandola. Therefore, to meet the power requirements of NCR, it is necessary to replace the failed ICTs. One ICT from Mainpuri was diverted to Ballabgarh without affecting the grid stability and load. The ICT-I at Ballabgarh would be completing 25 years in September, 2013 and hence it is proposed to replace the ICT at Ballabgarh through additional capital expenditure during 2013-14.
- (f) It is proposed to install a new DG set at HVDC, Rihand during 2013-14.

2. In response to the Commission's query, the representative of petitioner submitted that there is no DG set at Rihand. He further submitted that a DG set was originally planned to be installed at Muradnagar. Since Muradnagar sub-station was shifted to Dadri, the DG set was installed at Dadri. Based on the experience at Dadri, a similar DG set is proposed to be installed at Rihand, as per the requirement.

3. The representative of petitioner submitted that the Commission did not allow additional capital expenditure for ICT-I at Ballabgarh during 2006-07. He further submitted that the ICT-I is completing 25 years of useful service life in 2013-14 and hence the petitioner is entitled for additional capital expenditure.

4. The representative of PSPCL submitted that as per the petitioner there are frequent tower failures and there is a need for tower strengthening as that the actual wind velocity is more than the designed value. As the petitioner has not provided for adequate safety margin, the cost for tower strengthening has to be borne by the petitioner and it should not be loaded on the beneficiaries through tariff, by way of additional capital expenditure. He further submitted that the incentive earned by the petitioner must be used for the purpose of tower strengthening. He also submitted that the O&M must be allowed as per the regulations.

5. In response, the representative of the petitioner submitted that there were tower failures and tower strengthening is proposed based on the recommendations of the

expert committee. He further submitted that incentive is the reward for the efficiency in operating the transmission system and cannot be linked to the additional expenditure for tower strengthening.

6. The order in the matter was reserved.

By order of the Commission,

Sd/-
(T. Rout)
Joint Chief (Law)
4.4.2012