

CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 37/MP/2011

Petition under Section 79(1)(c) and (d) read with Section 2(36) (ii) of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and Regulations 86 of Regulations, 1999 along with Supporting Affidavit for determination of provisional tariff for transmission system associated with evacuation of power from Karcham Wangtoo Hydro Electric Project located in the state of Himachal Pradesh to Abdullapur sub-station located in the State of Haryana ("The Transmission System")

Date of Hearing : 26.4.2012

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

Petitioner : Jaypee Powergrid Limited

Respondents: : Jaypee Karcham Hydro Corporation Limited and 7 others

Parties Present : Shri Amit Kapur, Advocate for JPL
Ms. Poonam Verma, JPL
Shri Vishal Anand, JPL
Shri Rajiv Bhardwaj, JPL
Shri Mukesh Khanna, PGCIL
Shri Vishal Gupta, Advocate for Jaiprakash Power Ventures Ltd.

Record of Proceedings

The learned counsel for the petitioner submitted that the Government of Himachal Pradesh and M/s Jaiprakash Industries Limited (JIL) signed a MOU, on 23.8.1993, for implementation of Karcham Wangtoo Hydro Electric Power Generation Project of 900 MW in Himachal Pradesh (hereinafter referred to as "project"). Pursuant to MOU, an Implementation Agreement was signed on 18.11.1999 for Karcham

Wangtoo Hydro Electric Project of 1000 MW capacity between Government of Himachal Pradesh and JIL. On the request of the petitioner, PGCIL proposed (a) LILO of Baspa-Nathpa Jhakri 400 kV D/C line at Karcham Wangtoo and (b) Karcham Wangtoo-Abdullapur 400 kV D/C with triple conductor, for evacuation of power. Based on the cost prevailing in 2002, PGCIL gave an indicative cost of ₹23000 lakh as the cost of the transmission system. The CEA, vide its letter of 4.12.2002, informed PGCIL that its proposal was in order.

2. The learned counsel for the petitioner further submitted that the petitioner was incorporated as a joint venture on 5.10.2006 between Jaiprakash Hydro-Power Limited (now amalgamated into Jaiprakash Power Ventures Ltd.) and PGCIL to establish, maintain and operate the 400 kV D/C Quad Moose Conductor Transmission Line from Wangtoo to Abdullapur. In a meeting, on 3.11.2006, CEA and Northern Region constituents proposed the project for transfer of power from Karcham Wangtoo generation project and the configuration of the project was changed from Triple Conductor to Quad Moose. In a meeting held under the aegis of NRPC, Jaiprakash Hydro-Power Limited informed the constituents that the cost of the project was increased to approximately to ₹90000 lakh. The CTU, on 23.4.07, recommended grant of license to the petitioner, wherein the CEA noted the cost of the project as ₹94943 lakh. In May 2007, the PGCIL prepared a "Feasibility Report cum Detailed Project Report" for Karcham Wangtoo HEP and indicated that the completion cost, factoring in price escalation over the construction period, was projected to be ₹98107 lakh. The Commission granted transmission licence to the petitioner on the basis of the recommendations of the CEA and the CTU, on 1.10.2007.

3. The learned counsel for the petitioner submitted that the petitioner filed the instant petition seeking provisional tariff, besides other prayers, on 28.2.2011. The petitioner filed the tariff filing forms and the certificate from a chartered accountant indicating the cost, as on anticipated DOCO, i.e. 30.6.2011, as ₹94569 lakh. LILO of 400 kV D/C Baspa-Nathpa Jhakri transmission line at Wangtoo achieved COD on 26.5.2011. The revised Tariff filing Forms were submitted on 19.12.2011, and according to the petitioner the expenditure towards the LILO portion was ₹2478 lakh and expenditure towards transmission line was ₹92875 lakh. It was submitted that the 400 kV D/C Karcham-Wangtoo transmission line along with associated bays and shunt reactors was charged and synchronized with the grid with effect from 6.3.2012 and the commercial operation of the above line was 1.4.2012. The completion cost of the project, on 31.3.2012, is estimated to be ₹97526 lakh and the additional capital expenditure is anticipated to be ₹7769 lakh.

4. The learned counsel for the petitioner further submitted that the Competitive Bidding route was followed for procurement of most of the material and erection. Most of the packages are awarded to reputed independent agencies like L&T, Gammon India, Apar Industries & Sterlite Industries and Aditya Birla Insulators. Out of ₹97526 lakh of capital expenditure incurred upto 31.3.2012, ₹94599 lakh was towards the contracts awarded to independent contractors and to meet the statutory obligations.

5. The learned counsel for the petitioner also submitted that investment has been made and the transmission line has been commissioned and it is being used. He submitted that the petitioner is facing financial difficulties and hence requested to grant provisional tariff.

6. The learned counsel for Jaiprakash Power Venture Limited, Respondent No. 4, submitted that he has been appointed recently and he would file the Vakalatnama and its reply to the Commission's query, vide RoP dated 20.3.2012, during the course of the day.

7. The Commission directed the petitioner to furnish the following:-

- (i) Detailed justification for time over-run with documentary evidence.
- (ii) Steps taken to obtain forest clearance, with documentary evidence.
- (iii) Whether the reactors form part of the generation switchyard, because this was agreed in the LToA meeting to be part of the dedicated transmission system?
- (iv) The audited certificate of capital cost indicating the segregated expenditure corresponding to transmission line sub-station, PLCC etc for the Asset "LILO of both ckts of Baspa-Nathpa Jhakri 400 kV D/C line at Wangtoo" as on DOCO (i.e. May 2011) and additional capital expenditure thereafter, if any;
- (v) The cost of initial spares (corresponding to sub-station, transmission lines and PLCC) included in the capital cost, as on DOCO, for Karcham Wangtoo HEP-Abdullapur 400 kV D/C TL, and LILO of both ckts of Baspa-Nathpa Jhakri 400 kV D/C line at Wangtoo.

8. The Commission directed the petitioner to submit the above information on affidavit by 25.5.2012, with advance copy to the respondents.

By the order of the Commission

Sd/-
(T. Rout)
Joint Chief (Legal)
7.5.2012