

CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Record of Proceedings

Petition No. 85/TT/2011

Subject : Determination of transmission tariff from anticipated DOCO to 31.3.2014 (i) Koteshwar- Tehri Pooling Point (Koteshwar) 400 kV D/C line (Expected DOCO : 1.4.2011), (ii) LILO of Tehri- Meerut 765 kV Lines (Charged at 400 kV level) at Tehri Pooling Point (Koteshwar) (Loop in with 400 kV D/C Triple Snowbird line & Loop out with 765 kV S/C lines) (Expected DOCO: 1.4.2011) , (iii) 400 kV Tehri- Pooling Point (Koteshwar) Gas Insulated Sub-Station (GIS) – New (Expected DOCO: 1.4.2011) under Transmission System associated with Koteshwar HEP, for tariff block 2009-14 period in Northern Region.

Date of hearing : 6.9.2012

Coram : Shri S. Jayaraman, Member
Shri V.S. Verma, Member
Shri Deena Dayalan, Member

Petitioner : PGCIL, New Delhi

Respondents : Uttar Pradesh Power Corporation Limited and 16 others

Parties present : Shri S.S Raju, PGCIL
Shri B.K. Sahu, PGCIL
Shri Mukesh Khanna, PGCIL
Shri M.M. Mondal, PGCIL
Shri Upendra Pandey, PGCIL
Shri Amir Garg, PGCIL
Mrs. Sangeeta Edwards, PGCIL
Shri Padamjit Singh PSPCL
Shri R.B. Sharma, Advocate, BRPL

This petition has been filed by PGCIL (hereinafter referred to as 'the petitioner'). The representative of petitioner submitted that:-

- (i) The petition has been filed for determination of transmission tariff of various assets covered under Koteshwar HEP under Northern Region for 2009-14 tariff period.
- (ii) The Investment Approval for the project was accorded in June and as per the Investment Approval the scheduled completion of the project was 27 months from the date of Letter of Award. The first Letter of Award was made in March 2006 and thus the scheduled completion works out to July 2008.
- (iii) The petition has been filed with the anticipated date of commercial operation of all the assets as 1.4.2011. The actual dates of commercial operation of the assets was 1.4.2011, 1.3.2011 and 1.7.2011 respectively. There has been a delay of 33 to 36 months. The reasons for delay have been explained in affidavit dated 28.9.2011 and 6.9.2012. The revised management certificate and revised funding patterns have been filed.
- (iv) There is no cost over-run.

3. In response to the Commission's query as to whether the contractors were paid more than the awarded cost, the representative of the petitioner submitted in the negative.

4. The Commission observed that there is no cost over-run inspite of time over-run of three years. The Commission enquired whether the petitioner is overestimating the cost to take care of the time over-run. The Commission also observed that this is not the first case where there is no cost over-run inspite of long time over-run.

5. The representative of the petitioner submitted that the delay in completion of the project in time was due to hilly area, different terraces, delay in land acquisition, severe ROW problems, heavy rains affecting the movement of material and problems with the local villagers. The Commission observed that this is not the first case for the petitioner and the petitioner should have foreseen these problems based on their past experience and taken suitable remedial action.

6. The representative of the petitioner submitted that there was delay in generation which started in March, 2011. Thus, the delay in completion of the transmission line did not affect the power flow to the beneficiaries. He requested to condone the delay of 36 months as the delay was beyond the petitioner's control. He also requested to allow higher initial spares as this is a GIS sub-station.

7. Learned counsel for BRPL submitted that the cost of the project is over estimated and there is huge variation in intra-element cost. There is inordinate delay in execution of the project. Only 2.5% initial spares may be allowed as the cost of the GIS sub-station is already high.

8. The representative of PSPCL submitted that the justification submitted by the petitioner for delay of about 33 months does not appear to be justified. He submitted that the 50% series compensation at existing sub-station of the petitioner at Meerut (Extension) on Tehri Pooling Point (Koteshwar) is not completed and it should have been completed in time as there was no issue of land acquisition in Meerut. Further, he submitted that PGCIL should explain for charging tariff for unutilized portion of 765 kV line elements which had become spare due to LILO of lines.

9. As regards the justification of transmission system including LILO on the 400kV level, the representative of the petitioner clarified that all the generation from Tehri, Koteshwar, and other projects would be evacuated at 400KV level and through 765KV transformation, at pooling station, the power would be evacuated to Meerut. He also submitted that one additional 400 kV line has been envisaged from THDC Stage - II to the pooling point.

10. The Commission directed the petitioner to revisit its methodology of estimation for arriving at an accurate estimation and submit a detailed justification on it. The Commission also directed the petitioner to submit rejoinder to the reply filed by both PSPCL and BSES before 24.9.2012.

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

By the order of the Commission,

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

.9.2012