

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

Petition No. 186/TT/2011

Subject : Approval under Regulation 86 of CERC (Conduct of Business) Regulations, 1999 and CERC (Terms and Conditions of Tariff) Regulations, 2009 for determination of Transmission Tariff from projected date of commercial operation: 1.1.2012 to 31.3.2014 for 220/132kV 100 MVA ICT and associated bays at Raibareli under the Augmentation of 220/132kV transformation capacity at Raibareli (POWERGRID) by 1x100 MVA transformer, for tariff block 2009-14 period in Northern Region.

Date of Hearing : 13.8.2013

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

Petitioner : Power Grid Corporation of India Ltd.

Respondent: Uttar Pradesh Power Corporation Ltd.

Parties Present : Shri Prashant Sharma, PGCIL
Shri M. M. Mondal, PGCIL
Shri S. S. Raju, PGCIL
Ms. Sangeeta Edwards, PGCIL
Shri D. Nikhandia, PGCIL
Shri Padamjit Singh, PSPCL

The representative of petitioner submitted that:-

- (a) The petition is filed for determination of transmission tariff for 220/132 kV 100 MVA ICT and associated bays at Raibareli;
- (b) As per the Investment Approval (IA) dated 26.8.2010, the assets covered in the petition are scheduled to be commissioned within 18 months. The asset was commissioned within the scheduled dated, i.e. on 1.10.2011. The instant petition covers the entire scope of the project;
- (c) The present petition covers the ICT-I at Raibareli sub-station and the ICT-II and ICT-III in the Raibareli sub-station were commissioned in 2007. The

Raibareli sub-station is a greenfield sub-station and the initial spares claimed for ICT-I works out to 5.22% of the capital cost. If ICT-I was commissioned along with ICT-II and III, the initial spares claimed would have been within the norms specified. Requested to allow higher initial spares by relaxing Regulation 8 as provided under Regulation 44 of the 2009 Tariff Regulations.

2. The representative of PSPCL submitted that-

- (a) The petition has been filed on the basis of anticipated date of commercial operation, i.e. 1.1.2012 and hence the petitioner should file the certificate regarding the date of commercial operation;
- (b) The IA states that 132 kV bays are to be carried out on deposit work basis by UPPCL on behalf of the petitioner as 132 kV switchyard is owned by UPPCL. It has been stated more than once in the petition that 132 kV bays are to be erected by UPPCL, the petitioner should clarify whether additional 132 kV bay is to be erected by the petitioner besides the 132 kV bay erected by UPPCL;
- (c) The initial spares claimed are more than the limit specified in Regulation 8 of the 2009 Tariff Regulations and no justification is given for pooling the instant ICT-I with the ICT-II and III commissioned in 2007 and praying for higher initial spares. Pooling of ICTs and higher initial spares should not be allowed;
- (d) Additional return on equity of 0.5% should not be allowed as the project was completed within the time schedule;
- (e) There is huge over-estimation in the cost of transformers, switchgears and contingency expenses. A claim of ₹20.00 lakh for Control Room & Office Building including HVAC is on a higher side;
- (f) Details of expenditure on ICT and 132 kV bays are not given in the Form-5C and hence the petitioner should be directed to revise Form-5C; and
- (g) The petitioner should be directed to file the Office Memorandum wherein the IA was accorded to the instant project to understand whether the scope includes more than one 132 kV bay.

3. The representative of the petitioner clarified as under:-

- (a) Certificate regarding date of commercial operation has already been filed;
- (b) Only one 132 kV bay is to be erected as per the IA by UPPCL on behalf of the petitioner on deposit work basis and that has been erected by UPPCL within the time schedule. ;
- (c) Cost of certain items is lower than the FR cost because of lower awarded cost. Moreover, the instant ICT is erected in an existing sub-station and as such the overhead costs are less.

4. The representative of the petitioner requested time to revise Form-5C and to file a detailed rejoinder on receipt of reply from PSPCL.

5. The Commission observed that there is a huge over-estimation of cost of certain items. The Commission further directed the petitioner to file a copy of the Office Memorandum wherein the IA for the instant project was granted. The Commission also directed PSPCL to file its reply by 28.8.2013 and the petitioner to file its rejoinder by 6.9.2013.

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

By the order of the Commission,

sd/-
(T. Rout)
Chief (Law)