

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 78/TT/2012

Subject : Determination of transmission tariff for 765 kV S/C Seoni-Wardha TL (Ant. DOCO 1.3.2012) under WRSS-II, Set A Scheme of Western Region from DOCO to 31.3.2014

Date of Hearing : 12.11.2013

Coram : Shri Gireesh B.Pradhan, Chairperson
Shri V.S. Verma, Member
Shri M. Deena Dayalan, Member
Shri A.K. Singhal, Member

Petitioner : PGCIL

Respondents: : Madhya Pradesh Power Trading Company Limited & 7 others

Parties present : Shri S.S. Raju, PGCIL
Shri A.M. Pavgi, PGCIL
Ms. Sangeeta Edwards, PGCIL
Shri M.M. Mondal, PGCIL
Shri B.K. Sahoo, PGCIL
Shri D. Nikhandia, PGCIL

Record of Proceedings

The representative of petitioner submitted that:-

- a) The petition has been filed for determination of transmission tariff of 765 kV S/C Seoni-Wardha TL under WRSS-II. The petition was filed on 28.2.2012 with anticipated date of commercial operation on 1.3.2012 and accordingly the asset was commissioned on 1.3.2012
- b) As per the investment approval dated 24.7.2006, the asset was to be commissioned within 48 months from the date of investment approval, i.e by



1.8.2010. However, the asset was commissioned on 1.3.2012, after a delay of 19 months.

- c) The reasons for delay was submitted vide affidavit dated 16.4.2013. The time over-run was mainly on account of World Bank's decision not to fund the project and the resulting re-bidding for the project and the delay in receipt of forest clearance approval from MoE&F
- d) After the tendering process, the tender and bidding documents were forwarded to the World Bank as the project was to be funded by World Bank. However, World Bank did not agree with tender and evaluation process. Accordingly, it was decided to withdraw the package from World Bank funding and re-bid under domestic funding. Subsequently, the packages were re-tendered on 28.8.2008 and awards were placed on 13.2.2009. Thus, there was a delay of about 3 years.
- e) After placing the award in 2009, they have obtained forest clearance from Maharashtra portion and Madhya Pradesh portion. The proposal for forest clearance was submitted on 28.4.2009 and 27.7.2009. A series of queries and clarification were sought, finally the Stage II approval was issued by RMoE&F, Maharashtra on 11.7.2011 and RMoEF, Bhopal on 30.12.2011.
- f) Requested to condone the time over-run in commissioning of the asset and allow the tariff as both funding and forest clearance are critical activities.

2. In response to Commission's query regarding the route affected by forest clearance, the representative of the petitioner submitted that 11 towers are located in forest area in Madhya Pradesh. In response to another query of the Commission regarding the reasons for applying for forest clearance in 2009 when the Investment Approval was granted in the year 2006, the representative of the petitioner clarified that forest clearance is applied for after a detailed survey of the tower locations, which could be carried out only after the placement of actual award.

3. In response to another query, the representative of the petitioner submitted that certain concessions are available in case of funding by World Bank. The World Bank asked the petitioner to review the recommendations on the basis of Bank's interpretation of the Technical Experience Requirement and hence the petitioner withdrew the project from the World Bank funding and resorted to domestic funding by rebidding and it led to time over-run. In response to another query regarding non-award of work based on bid invited as per World Bank guidelines, it was clarified by the



representative of the petitioner that the same could not be awarded as the terms and conditions were revised based on domestic funding and thus re-tendered.

4. The representative of the petitioner submitted that though the completion cost of the instant asset is more than the apportioned approved cost, the completion cost of the WRSS-II Set-A scheme is within the overall approved cost of the Scheme and hence the cost over-run in the instant case may be condoned. The RCE is not submitted in the instant case as the overall cost of the Scheme is within the approved cost. He further submitted that the cost over-run in the instant case is due to increase in awarded cost and increase in the quantity.

5. The Commission directed the petitioner to submit the following information on affidavit, before 2.12.2013, with a copy to the respondents:-

- a) The details of increase in quantity of transmission lines/elements with respect to the estimated quantity and documentary proof for the same.
- b) Reason for applying for the Forest Clearance at the end of April, 2009 when the Investment Approval was already available with the petitioner in July, 2006.
- c) Relevant documents to substantiate that the delay occurred due to the decision to withdraw the package from the funding of the World Bank and the consequent re-tendering.

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

By order of the Commission

sd/-
(T. Rout)
Chief Legal

