

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 54/TT/2013

Subject : Determination of transmission tariff for 125 MVAR bus Reactor (DOCO 1.10.2012) at Manesar associated with Northern Region System Strengthening-XIII (NRSS-XIII) of Northern Region for tariff block 2009-14 period in Northern Region.

Date of Hearing : 24.6.2014

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

Petitioner : Power Grid Corporation of India Limited

Respondents : Rajasthan Rajya Vidyut Prasaran Nigam limited and 16 others

Parties present : Shri S.S. Raju, PGCIL
Ms. Seema Gupta, PGCIL
Shri S.K. Venkatesan, PGCI
Ms. Sangeeta Edwards, PGCIL
Shri Padamjit Singh, PSPCL
Shri R.B. Sharma, Advocate, BRPL

Record of Proceedings

The representative of the petitioner submitted that:-

- a) The instant petition is for determination of transmission tariff 125 MVAR bus Reactor at Manesar (DOCO 1.10.2012) associated with Northern Region System Strengthening-XIII (NRSS-XIII) of Northern Region for tariff block 2009-14 period.
- b) As per the investment approval dated 16.2.2009, the scheduled completion is within 33 months from the date of investment approval. Accordingly, the commissioning schedule works out to 16.11.2012 i.e. 1.12.2012 against which the subject asset has been commissioned and put under commercial



operation with effect from 1.10.2012. Hence, there is a delay of 10 months.

- c) The delay in commissioning of the asset is mainly on account of land acquisition. The petitioner has approached Haryana Urban Development Authority for land acquisition for construction of Manesar sub-station under urgency clause on 4.3.2009. The notification for land acquisition under Section 4 and Section 6 of the Land Acquisition Act was issued on 20.11.2009 and 2.2.2010 respectively. However, a Civil Writ Petition No. 8462/2010 was filed by some villagers in the High Court of Haryana and Punjab against the notification of land acquisition. The Court delivered the judgement in the favour of PGCIL on 29.6.2010. The possession of land for Manesar sub-station was given on 23.8.2010 i.e. after a gap of 11 months.
- d) It was further submitted that as per L2 network, the land was to be handed over to contractor by 27.9.2009. However, the land could be handed over only after possession of land. Due to late possession of sub-station land the subsequent activities like civil works, foundation structure got delayed because of which commissioning of Bus Reactor at Manesar sub-station got delayed by 10 months. The delay is beyond the control of petitioner. She requested to condone the delay
- e) The justification for item wise cost variation is given in form 5B. The total estimated completion cost is within the approved cost. The tariff may be approved on the basis of total estimated completion cost

2. The representative of PSPCL submitted that against the apportioned approved cost ₹1851.51 lakh the total estimated completion cost is ₹2038.86, hence there is a cost over-run. As per the date of commercial operation letter dated 15.10.2012, the reactor has been charged on 30.9.2012 at 22.23 hrs and immediately after one and half hours it was declared under commercial operation and it is difficult to conduct the tests and declare the commercial operation of the instant asset within such a short span of time. There is a cost escalation of ₹86 lakh in case of Reactor. The petitioner should be directed to submit the cost of similar Reactors installed in the country. Manesar Sub-station is a new sub-station with two ICTs and one bus reactor, one ICT was commissioned on 1.6.2012 and the second ICT was commissioned on 1.8.2012 and the bus reactor was commissioned on 1.10.2012. The representative of PSPCL submitted that the petitioner should give the overall position of the project as a whole and not fragmented information.

3. In response to query of the Commission regarding their policy of declaring date of commercial operation, the representative of petitioner clarified that certain tests are



carried out at factory and certain tests are conducted on site. In the instant case all the mandatory tests were done at site and then the asset was put under commercial operation.

4. The representative of BRPL submitted that there is marginal cost over-run and there is variation in cost of some of the items given in Form 5B. There is delay of 11 months as per the Investment Approval however as per Form 5C the delay is around 14 months. The Appellate Tribunal of Electricity in its judgment dated 27.4.2011 in Appeal No. 72/2010 has held that the land acquisition is the responsibility of the petitioner and accordingly IDC and IEDC for 14 months should not be allowed. IDC and IEDC for the period of delay should be borne by the petitioner. The L2 network does not give the details and hence the petitioner should prepare the PERT chart on the basis of L2 network available with it and submit the same.

5. The representative of the petitioner clarified that the approved cost of the project is ₹31769.00 lakh whereas the completion cost is only ₹22291.00 lakh. Instead of element wise cost, the total cost of the project should be considered while approving the cost of the various elements of a project. It was further submitted that the cost details of the various 125 MVAR bus reactors installed have already been submitted in Petition No. 90/2012. The details of time over run has also been submitted vide affidavit dated 26.3.2014.

5. The Commission directed the petitioner to submit its policy regarding declaration of the date of commercial operation and the rejoinder to the replies of BRPL and PSPCL on an affidavit before 20.7.2014 with a copy to all the respondents.

6. In case the above are not complied with as per the dates mentioned, the Commission shall be at liberty to issue order without taking into consideration the submission made by either party subsequent to the date given in para 5 above.

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

By order of the Commission

sd/-
(T. Rout)
Chief Legal

