

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**I.A No.03/2015 in Petition No. 312/TT/2014**

Subject : Approval under Regulation-54 and 55 of Central Electricity Regulatory Commission (Terms and condition of Tariff), 2014, power to relax and power to remove difficulty for approval of additional expenditure towards the cost of the Insurance of 400 kV D/C Koldam-Ludhiana transmission line for tariff block 20014-19.

**And**

**I.A No.04/2015 in Petition No. 384/TT/2014**

Subject : Approval under Regulation-54 and 55 of Central Electricity Regulatory Commission (Terms and condition of Tariff), 2014, power to relax and power to remove difficulty for approval of additional expenditure towards the cost of the Insurance of 400 kV (Quad) 2xS/C Parbati-Koldam transmission line, starting from LILO point of Parbati (Banala) pooling station to Koldam HEP

Date of Hearing : 9.6.2015

Coram : Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member

Petitioner : Parbati Koldam Transmission Company Limited (PKTCL)

Respondents : Rajasthan Rajya Vidyut Prasaran Nigam Limited and 18 others

Parties present : Shri Anil Rawal, PKTCL  
Shri Aman Trivedi, PKTCL  
Shri Rupin Rawat, PKTCL  
Shri Lokendra Singh, PKTCL  
Smt Anushree Bardhan, HPPC  
Smt Poorva Saigal, HPPC



## Record of Proceedings

The representative of the petitioner submitted that:-

- a) The Interlocutory Application Nos. 03/2015 and 04/2015 in Petition Nos.312/TT/2014 and 384/TT/2014 have been filed seeking approval of additional expenditure towards the cost of the insurance being taken for the project;
- b) The instant transmission assets are in landslide and heavy snow prone area. The assets have been designed as per the existing approved norms as per the standard industry practice;
- c) As per the Operation Interface Agreement entered with CTU, the petitioner is required to undertake insurance cover for the assets against various risks as required under prudent utility practices and the law. However, there is no system for insuring the transmission line in the country;
- d) The O&M expenses allowable for the instant assets do not take care of the insurance cost as a major portion of the O&M Expenses specified by the Commission is spent towards the manpower cost and the remaining amount is used for regular maintenance of the transmission assets;
- e) The instant lines are very critical lines evacuating power from the upper reaches and these lines are required to be insured properly; and
- f) The high cost of insurance is eroding petitioner's return on equity. There is no intention on the part of the petitioner to profiteer from the insurance. The 15.5% of assured return on equity specified in the Regulations should be protected.

2. The Commission observed that the O&M norms have been specified in the Regulations taking into consideration all the aspects and after exhaustive consultation with the stakeholders and they cannot be relaxed with just because the petitioner is not able to meet its cost of insurance. The Commission observed that the petitioner should have adopted designs that would withstand the local conditions and which would have reduced the risks.

3. The representative of the petitioner clarified that the transmission lines were designed by PGCIL and the petitioner has merely paid the development charges for the design. The lines were designed to take load upto 1.5 cm of snow loading. Though as per the latest design of PGCIL, 5 cm of snow loading is taken care of, the instant transmission lines have experienced 20 cm of snow loading recently resulting in failure of two towers.

4. None appeared on behalf of the respondents;



5. Subject to the above, order in the case of IAs was reserved.

By order of the Commission

Sd/-  
(T. Rout)  
Chief Legal

