

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 543/TT/2014

Subject: Truing up of transmission tariff for 2009-14 tariff block and determination of transmission tariff for 2014-19 tariff block for 400kV S/C Singrauli-Vindhyachal transmission link along with (2X250 MW) HVDC back to back at Vindhyachal between NR and WR (COD 6.6.1989).

Date of Hearing : 2.6.2016.

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

Petitioner : Power Grid Corporation of India Limited (PGCIL)

Respondents : Rajasthan Rajya Vidyut Prasaran Nigam Limited and 18 others

Parties present : Shri S.K. Venkatesan, PGCIL
Shri J. Mazumdar, PGCIL
Shri Shashi Bhushan, PGCIL
Shri R.P.S. Rana, PGCIL
Shri S.S. Raju, PGCIL
Shri Rakesh Prasad, PGCIL
Shri V.P. Rastogi, PGCIL
Shri A.K. Arora, PGCIL

Record of Proceedings

The representative of the petitioner submitted that:-

- a) The tariff for the instant assets was allowed vide order dated 23.1.2012 in Petition No. 286/2010, however the cost of procurement of spare smoothing reactor was disallowed due to non-utilization/non-commissioning of the spare smoothing reactor.



b) The petitioner was granted liberty to approach the Commission for including the cost of smoothening reactor in the capital cost as soon as it is commissioned. Accordingly, the cost of smoothening reactor is claimed as additional capital expenditure in the instant petition.

2. In response to query of the Commission, the representative of the petitioner submitted that the spare smoothening reactor is in ready to use condition and would be replaced with the damaged/faulty reactor as and when required. He also submitted the Add-Cap and De-Cap to be done in 2014-19 period is due to ageing of the equipment which would extend the life of the system by atleast 10 years.

3. In response to another query of the Commission regarding projected expenditure during 2016-17 onwards, the learned counsel for the petitioner submitted that the expenditure is towards add-cap for the replacement of the substation's old equipment. He further submitted that this add-cap would result in the substantial life extension of the project, and the same is as per the existing worldwide practices in HVDC field.

4. The Commission directed the petitioner to file the following information by 25.6.2016 with an advanced copy to the respondents:-

a. Actual funding of additional capitalisation during 2009-14.

b. Auditor's Certificate for the capital expenditure for period 2014-19 with the revised tariff forms, if any. Submit the **Form-10B** (Statement of De-capitalization).

c. The accumulated depreciation corresponding to the assets being replaced during the period 2014-19.

d. Clarification whether loans have been deployed for additional capitalization of 2009-14 and 2014-19 period. Further, how the weighted average rate of interest for period 2014-19 has been arrived at as 8.80% (Bond XLII), when no loan has been deployed.

e. On perusal of ABB report on ABB inspection of Power Grid Assets dated 11.4.2013 as submitted vide affidavit dated 16.3.2016 by the petitioner, there is no mention that the spare smoothening transformer is required. Clarification in this reference may be provided.

f. Approval of competent authority for replacement of equipment.

g. How many years of HVDC back to back system's life will be increased by replacement of the re-equipment?



- h. Why these expenses should not be claimed in Renovation and Modernization of the system?
5. The Commission directed the respondents to file their replies by 4.7.2016 and the petitioner to file its rejoinder, if any, by 11.7.2016. The Commission also directed the parties to file the information/reply/rejoinder within the timeline specified.
6. Subject to the above, Commission reserved order in the petition.

By order of the Commission

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

