

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 557/TT/2014

- Subject : Truing up of transmission tariff for 2009-14 tariff period and determination of transmission tariff for 2014-19 tariff period for Combined Element-1 (i) 400 kV D/C RAPP-Kankroli transmission line along with associated bays (ii) 50 MVAR Bus Reactor along with associated bays at Kankroli Sub-station and (iii) 400 kV S/C RAPP – Kota line along with 80 MVAR Bus Reactor and Combined Element-2 (i) 400/220 kV 315 MVA ICT-II along with associated bays and two no. 220 kV line bays at Kankroli Sub-station (ii) 400/220 kV 315 MVA ICT-I along with associated bays & 2 no. 220 kV line bays at Kankroli Sub-station and (iii) 400/220 kV 315 MVA ICT-I and ICT-II at Kota Sub-station and ICT-III at Kankroli Sub-station along with associated bays at Kota and Kankroli Sub-stations under Transmission System associated with RAPP 5&6 (Notional COD 1.4.2009) in Northern Region
- Date of Hearing : 13.1.2016
- Coram : Shri A.S Bakshi, Member
Dr. M.K. Iyer, Member
- Petitioner : Power Grid Corporation of India Limited
- Respondents : Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL) & 16 Others



Parties present : Shri M.M. Mondal, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri S.S. Raju, PGCIL
Shri D.K. Karma, PGCIL
Smt. Sangeeta Edwards, PGCIL
Shri S.C. Taneja, PGCIL
Shri Rakesh Prasad, PGCIL
Shri B.L. Sharma, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Shri S.K. Agarwal, Advocate, Rajasthan Discoms
Shri S.P. Das, Advocate, Rajasthan Discoms
Smt. Neelam, Advocate, Rajasthan Discoms

Record of Proceedings

The representative of the petitioner submitted that:-

- a) The transmission charges for the assets covered in the instant petition was approved by the Commission vide order dated 29.2.2012 in Petition No. 340/2010. The asset was put under commercial operation w.e.f. 1.4.2009.
- b) The Commission in its order dated 29.2.2012 in Petition No. 340/2010 determined the tariff for tariff period 2009-14 for Combined Element -1 on the basis of capital cost of ₹39780.06 lakh as on 31.3.2009 and additional capital expenditure of ₹699.76 lakh & ₹187.88 lakh during 2009-10 & 2010-11, respectively. Further, for Combined Element-2, the Commission determined the tariff on the basis of capital cost of ₹16008.20 lakh as on 31.3.2009 and additional capital expenditure of ₹397.96 lakh & ₹294.81 lakh during 2009-10 & 2010-11, respectively.
- c) For Combined Element-1, additional capital expenditure has been claimed as ₹215.75 lakh, ₹179.40 lakh and ₹173.25 lakh during 2009-10, 2010-11 and 2011-12, respectively, on account of balance/retention payment for works incurred within cut-off date under Regulation 9(1) of the 2009 Tariff Regulations. Further, the petitioner has claimed the additional capitalization of ₹142.42 lakh and ₹2119.45 lakh during 2012-13 and 2013-14, respectively, under Regulation 9(2)(viii) of the 2009 Tariff Regulations on account of undischarged liability towards final payment/withheld payment due to contractual exigencies for works executed within the cut-off date.
- d) For Combined Element-2, additional capital expenditure has been claimed as ₹571.07 lakh, ₹355.61 lakh and ₹522.51 lakh during 2009-10, 2010-11 and 2011-12, respectively, on account of balance/retention payment for works incurred within cut-off date under Regulation 9(1) of the 2009 Tariff Regulations. Further,



the petitioner has claimed the additional capital expenditure of ₹577.64 lakh and ₹594.28 lakh during 2012-13 and 2013-14, respectively, under Regulation 9(2)(viii) of the 2009 Tariff Regulations on account of undischarged liability towards final payment/withheld payment due to contractual exigencies for works executed within the cut-off date.

- e) For Combined Element-1, no additional capitalization has been claimed for tariff period 2014-19. For Combined Element-2, additional capital expenditure has been claimed as ₹80.65 lakh towards balance/retention payments of final bills of Contractor for works executed prior to cut-off date under Regulation 14(2)(v) of the 2014 Tariff Regulations.

2. In response to Commission's query regarding substantial increase in actual additional capitalization against the admitted additional capital expenditure in case of Combined Element-1, the representative of the petitioner submitted that the increase is on account of differential payment due to diversion of 93.187 hectare of forest land under Jawahar Sagar Wild Life Sanctuary under Kota Wildlife Division. He submitted a copy of the order dated 3.1.2014 issued by Office of Forest Protection of Mukandar Kota, which states that the NPV of ₹241022810/- lakh is in accordance with the Supreme Court Judgment.

3. Learned counsel of Rajasthan Discoms submitted that reply was served on the petitioner today and requested two days time to file the same with the Commission.

4. Learned counsel for the Rajasthan Discoms submitted that in order dated 29.2.2012 in Petition No. 340/2010, there is impact of wage hike of more than 50% in O&M expenses, however, petitioner has not provided any clarification on the same. In this regard, the representative of the petitioner submitted that O&M expenses has been claimed in accordance with the norms of O&M expenses in the 2009 Tariff Regulations.

5. The Commission directed the petitioner to submit the following information queries on affidavit with copy to respondents by 20.1.2016:-

- (i) With regard to Combined Element-1, in page 16 of the petition it has been mentioned that the additional capitalization of ₹2119.45 lakh in 2013-14 is on account of afforestation payments done for forest land & non-forest lands and the same has also been claimed under Regulation 9(2) as award for compliance with the order of Statutory Authority. However, in Form 9 at page 62 of the petition same has been claimed under Regulation 9(2)(viii) of the 2009 Tariff Regulations In this regard, provide the clarification.
- (ii) With regard to additional capitalization of ₹2119.45 lakh in 2013-14 for Combined Element-1, provide the detailed breakup of payment done for forest



and non-forest land for (i) Jawahar Sagar wild life, (ii) forest area under Chittorgarh along with documentary evidence.

- (iii) Auditor Certificate for Asset-III (i.e. 400 kV S/C RAPP- Kota line along with 80 MVAR Bus Reactor) of Combined Element-1 to work out the initial spares.
- (iv) Justification towards increase in the additional capital expenditure during 2009-14 period vis-à-vis the approved amount.
- (v) Undertaking on affidavit that actual equity infused for the additional capitalisation during 2009-14 tariff period is not less than 30% for the given transmission asset.
- (vi) The amount of balance and retention payment yet to be made along with the details of the contract for which payment has been retained along with the amount retained.

6. The Commission also directed the petitioner to submit the rejoinder to the reply filed by Rajasthan Discoms by 20.1.2016. The Commission further directed that the above information should be filed by the date indicated, failing which the matter would be decided on the basis of the information already available on record.

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

By order of the Commission

sd/-
(V. Sreenivas)
Dy. Chief (Law)

