

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 156/TT/2017

Subject : Determination of transmission tariff from COD to 31.3.2019 for Asset-I: 2 Nos. of 400 kV GIS line bays at Nizamabad (PG) for the termination of Nizamabad - Yeddumailaram (Shankarpalli) 400 kV D/C line (Anticipated COD: 1.11.2017) and Asset-II: 2 Nos. of 400 kV GIS line bays at Maheswaram (PG) for termination of Maheswaram (PG) -Mehboob Nagar 400 kV D/C Transmission line (Anticipated COD: 1.11.2017) under "Provision of Line bays for the Scheme-Connectivity lines for Maheswaram (Hyderabad) 765/400 kV Pooling Station" in Southern Region

Date of Hearing : **20.3.2018**

Coram : Shri P.K. Pujari, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M. K. Iyer, Member

Petitioner : Power Grid Corporation of India Limited

Respondents : TANGEDCO and 17 others

Parties present : Shri Vivek Kumar Singh, PGCIL
Shri Rakesh Prasad, PGCIL
Shri S.S. Raju, PGCIL
Shri B. Dash, PGCIL
Shri S. Vallinayagam, Advocate, TANGEDCO

Record of Proceedings

The representative of the petitioner submitted that as per the Investment Approval dated 20.7.2016, the scheduled COD for the instant assets was 19.1.2018 against which the Asset-I and Asset-II were put into commercial operation on 21.10.2017 and 16.12.2017 respectively. Thus there is no time overrun in commissioning of the assets. The representative of the petitioner further requested to allow additional RoE of 0.5% as the assets were put into commercial operation within the timeline specified in the 2014 Tariff Regulations and submitted that the SRPC Certificate under proviso (iii) of Regulation 24 (2) of the 2014 Tariff Regulations has been obtained and the same will be submitted in due course. He also submitted that information sought in order dated 5.10.2017 has been filed vide affidavit dated 13.2.2018 and rejoinder to the reply filed by TANGEDCO has also been filed.

2. The learned counsel for respondent, TANGEDCO submitted that reply to the petitioner has been filed and requested to consider the same and made the following submissions:-



- (a) Though the estimated completion cost is within the FR cost, there is huge escalation in price of the items and no proper justification has been given by the petitioner for such escalation. The price of some of the items of same configuration are different from the prices given in Petition No.157/TT/2017. The petitioner should be directed to explain such price variation for the same items in different petitions.
- (b) The petitioner has not followed the benchmark costing nor prudent method to estimate the cost of the various items.
- (c) The commissioning of the bays is dependent on the commissioning of the transmission lines and hence advancement of commissioning of bays can only be decided based on the decision of the Commission with respect to transmission lines.

3. In response, the representative of the petitioner submitted that price of item of same configuration is different because of the location and the transportation cost. He submitted the reasons for variation/increase in prices will be submitted.

4. After hearing the parties, the Commission directed the petitioner to submit its response to the issues raised by TANGEDCO and to file the following information, on affidavit, with a copy to the respondents by 16.4.2018:-

- (a) Form-4A and Form 5 'Statement of Capital Cost" as per books of accounts for the asset along with flow of capital liabilities in gross block for both the assets;
- (b) Form-5 "Element-wise break-up of Project/Asset/Element cost for Transmission System or Communication System" and Form 5B "Details of element wise cost of the project" for both the assets;
- (c) Reconciliation of liabilities mentioned in Form-4A, Form-5 and Form-7;
- (d) Documentary proof of rate of interest for SBI loan, Bond LXI and Bond LX and repayment schedule for SBI, LXI and LX Bonds, for both the assets;
- (e) Clarification as to whether entire liability pertaining to initial spares has been discharged as on COD, if no, then year-wise detail of discharging of the same, for both the assets.

5. The Commission directed the respondents to file their replies by 7.5.2018 and the petitioner to file rejoinder, if any, by 14.5.2018. The Commission also directed the parties to submit the information within the time specified and observed that no further time shall be granted.

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

By order of the Commission

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

