

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 125/TT/2018

- Subject** : Determination of transmission tariff from anticipated COD to 31.3.2019 of 400 kV D/C Allahabad-Kanpur Line along with associated bays at both ends including 2X50 MVAR Line Reactor at Kanpur end under Northern Regional System Strengthening Scheme-XXX under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.
- Date of Hearing** : 22.1.2019
- Coram** : Shri P.K. Pujari, Chairperson
Dr. M. K. Iyer, Member
Shri I.S. Jha, Member
- Petitioner** : Power Grid Corporation of India Limited (PGCIL)
- Respondents** : Uttar Pradesh Power Corporation Limited & Ors
- Parties present** : Shri R.B. Sharma, Advocate, BRPL
Shri Mohit Mudgal, Advocate BRPL
Shri S.S. Raju, PGCIL
Shri S.S. Venkatesan, PGCIL
Shri S.K. Niranjana, PGCIL

Record of Proceedings

The instant petition has been filed by PGCIL for determination of transmission tariff from COD to 31.3.2019 of 400 kV D/C Allahabad-Kanpur Line along with associated bays at both ends including 2X50 MVAR Line Reactor at Kanpur end under Northern Regional System Strengthening Scheme-XXX in accordance with the 2014 Tariff Regulations. The Commission vide order dated 5.11.2018 granted Annual Fixed Charges in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for inclusion in PoC mechanism.



2. The representative of the petitioner submitted that as per the investment approval dated 5.2.2014, the scheduled COD of the instant asset was 4.6.2016 and the asset was put into commercial operation on 28.9.2017. Accordingly, there is a time over-run of 15 months and 23 days. He submitted that the time over-run is attributable to ROW issues, which prevailed continuously at various locations of Allahabad and Kanpur starting from October, 2015. All other relevant information like RLDC certificate, CEA certificate and Auditor Certificate has been filed. He submitted that as against the FR apportioned approved cost of ₹36871.99 lakh, the completion cost is ₹37026.48 lakh and therefore there is a marginal increase of 0.5% in the cost of the asset. He submitted that the RCE have been also submitted. The cost over-run is mainly on account of increase in tower steel and increase in the number of towers from 627 to 652 and increase in the insulators and hardware fittings. He also submitted that they have filed the rejoinder to the reply of UPPCL and BRPL.

3. Learned counsel for BRPL submitted that the increase of only 0.5% in the cost of the instant assets even though there is increase in the number of towers shows that the FR cost was over-estimated. He submitted that perusal of Form 5 shows cost variation in case of many items. He submitted that there are contradictions in the justification given by the petitioner for time and cost over-run and requested not to allow the increase and variation in cost. As regards shifting of reactors, the learned counsel submitted that they should be decapitalized from where they are shifted and capitalized where they are placed.

4. The representative of the petitioner submitted that the two reactors installed in Kanpur have been shifted from Kankroli D/C line and Mandola D/C line. The Kankroli reactor is originally covered in Petition No. 557/TT/2014 and the Mandola reactor is covered in Petition No. 38/TT/2015 and the decap will be done at the time of true up of 2014-19 tariff.

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

By order of the Commission

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

