

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 664/TT/2020

Subject : Petition for determination of transmission tariff of 2019-24 period for two assets under “Procurement of Spare Converter Transformer for Vizag HVDC System in Southern Region.

Date of Hearing : 29.10.2021

Coram : Shri P.K. Pujari, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri P.K. Singh, Member

Petitioner : Power Grid Corporation of India Ltd.

Respondents : Tamil Nadu Generation and Distribution Corporation Ltd.& 19 Others

Parties present : Shri S. Vallinayagam, Advocate, TANGEDCO
Shri S. S. Raju, PGCIL
Shri D.K. Biswal, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Shri A.K. Verma, PGCIL
Dr. R. Kathiravan, TANGEDCO
Shri R. Ramalakshmi, TANGEDCO
Shri R. Srinivasan, TANGEDCO

Record of Proceedings

Case was called out for virtual hearing.

2. The representative of the Petitioner made the following submissions:
 - a. The instant petition has been filed for determination of transmission tariff for the 2019-24 tariff period for the following assets under “Procurement of Spare Converter Transformer for Vizag HVDC System” in Southern Region:

Asset-1: 01 No. Spare 201 MVA, 1 ph 3 winding Converter Transformer at Vizag HVDC Terminal Station; and

Asset-2: 01 No. Spare 234 MVA, 1 ph 3 winding Converter Transformer at Vizag HVDC Terminal Station.



b. The scope of the scheme was discussed and agreed in 33rd meeting of the Standing Committee on Power System Planning of Southern Region and in the 18th SRPC meeting held on 20.12.2011. The Board of Directors of the Petitioner accorded Investment Approval for the project vide memorandum dated 6.6.2017.

c. As per the Investment Approval, SCOD of the transmission system was 24 months from the date of IA dated 11.5.2017 against which Assets-1 and 2 were put under commercial operation on 28.3.2020 and 30.7.2020 respectively after a time over-run of 10 months and 18 days, and 14 months and 20 days respectively.

d. Detailed justifications for the time over-run have been given in the petition. It was mainly due to contracts and site constraints, civil foundation, cable shifting, delay in manufacture of converter transformer etc. These factors were beyond the control of the Petitioner and, hence, the same is liable to be condoned.

e. Cost variation is on account of IDC and IEDC and difference in cost of FR and bidding cost.

f. Two weeks' time is sought to place on record CMD and CEA certificates and Government's order with respect to shortage/ ban on sand mining in the State of Andhra Pradesh.

g. Additional information has been submitted by the Petitioner vide affidavit dated 2.3.2021.

h. Reply to the Technical Validation letter has been filed vide affidavit dated 15.9.2021.

i. Two weeks' time was sought to file rejoinder to the reply of TANGEDCO.

3. Learned counsel for TANGEDCO referred to his reply and made the following submissions:

a. PGCIL or its contractors should have found other alternatives for their requirement of sand. The delay of 4 months cited on account of scarcity of sand is unreasonable and is liable to be disallowed. The Petitioner must have provisions of liquidated damages (LD) clause in its contract with the contractor. The Petitioner should demonstrate action taken by it to recover the LD.

b. It is the Petitioner's responsibility to plan and execute works anticipating the shifting/ protection of the existing 33 kV cable, civil drawing changes and further approvals as per the site conditions. The Petitioner being a seasoned player in this field has failed to show any mitigating factors regarding the same.

c. The issue of delay in supply of converter transformer has to be dealt by the Petitioner with its contractor and LD may be recovered and adjusted against the capital cost.



d. The Petitioner cannot seek condonation of time over-run on account of moisture caused during the monsoon season. The same should have been taken into account while drawing the plan for execution of the project.

e. There is discrepancy in the Additional Capital Expenditure projected for Asset-2, which must be clarified by the Petitioner.

4. The Commission directed the Petitioner to file rejoinder to the reply of TANGEDCO alongwith CMD and CEA certificates as well as Government order with respect to ban on sand mining in the State of Andhra Pradesh by 25.11.2021. The Commission further directed the Petitioner to submit Form-12 in respect of both the assets covered in the present petition also by 25.11.2021. The Commission observed that due date of filing should be strictly adhered and no extension of time shall be granted.

5. After hearing the parties, the Commission reserved order in the matter.

By order of the Commission

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(V. Sreenivas)
Deputy Chief (Law)

