

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI  
Record of Proceedings**

**Petition No.76/2009**

Coram : Dr. Pramod Deo, Chairperson  
Shri R.Krishnamoorthy, Member  
Shri S.Jayaraman, Member  
Shri V.S.Verma, Member

Date of Hearing : 23.6.2009

Subject : Revision of transmission tariff due to de-capitalization and additional capitalization incurred during 2008-09 for 400 kV Ramagundam Transmission System including ICT at Khammam & Reactor at Gazuwaka under CTP Augmentation in Southern Region.

Petitioner : Power Grid Corporation of India Limited, Gurgaon

Respondents : 1. Karnataka Power Transmission Corporation Ltd., Bangalore  
2. Transmission Corporation of Andhra Pradesh Ltd., Hyderabad  
3. Kerala State Electricity Board, Thiruvananthapuram  
4. Tamil Nadu Electricity Board, Chennai  
5. Electricity Deptt., Govt. of Pondicherry, Pondicherry  
6. Eastern Power Distribution Company of Andhra Pradesh Limited, Vishakhapatnam  
7. Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati  
8. Central Power Distribution Company of Andhra Pradesh Limited, Hyderabad  
9. Northern Power Distribution Company of Andhra Pradesh Limited, Warangal

Parties Present : Shri U.K.Tyagi, PGCIL  
Shri V.V.Sharma, PGCIL  
Shri Mohd. Mohsin, PGCIL  
Shri J.Majumdar, PGCIL  
Shri D.Khandelwal, MPPTCL  
Shri Dilip Singh, PGCIL

This petition has been filed for revision of transmission tariff due to de-capitalization and additional capital expenditure incurred during 2008-09 in respect of 400 kV Ramagundam Transmission System (the transmission system) including ICT at Khammam and Reactor at Gazuwaka under CTP Augmentation in Southern Region, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (herein after referred to as the 2004 regulations).

2. The representative of the petitioner explained that the additional capital expenditure of Rs. 297.07 lakh was incurred to replace the old and obsolete circuit breakers and surge arresters. He stated that the entire cost of Rs. 87.86 lakh of the originally purchased equipment had been de-capitalized. He explained that the replaced equipment was 20 to 24 years old and had become obsolete for various reasons, such to up-gradation of technology, non-availability of service support. It was explained that the additional capital expenditure was claimed under Clause 53 (iv) and Note 2 and Note 4 below that regulation of the 2004 regulations.

3. The representative of the petitioner further explained that the number of older circuit breakers and surge arresters had been replaced by the new assets. It was also stated that as per the recommendation of the expert agency, the equipment was to be replaced after 12 to 13 years. As such, the representative of the petitioner pleaded with the Commission to allow additional capital expenditure incurred for installing new equipment in replacement of the old one.

4. The Commission directed the petitioner to furnish the following information, namely-

- (i) Detailed recommendations of the expert inspection agency which recommended to replace the circuit breakers and surge arresters; and
- (ii) Details of old equipment replaced, giving its type, quantity and cost.

5. The above information may be filed by the petitioner within two weeks, duly supported by affidavit, with copy to the respondents.

6. Subject to the above, the Commission reserved its order.

Sd/-  
**(K.S.Dhingra)**  
**Chief (Legal)**