Sub: Determination of transmission tariff from DOCO to 31.3.2014 for (i) LILO of one circuit of Madurai-Trichy 400 kV D/C line along with 1x80 MVAR line reactor at Karaikudi sub-station and (ii) 2x315 MVA Auto transformers and downstream system with associated bays and equipments at Karaikudi sub-station under system strengthening-VII of SR Grid in Southern Region for the tariff period 2009-14.

Date of hearing : 9.11.2010

Coram : Shri S Jayaraman, Member
Shri M Deena Dayalan, Member

Petitioner : Power Grid Corporation of India Ltd., Gurgaon

Respondents : KPTCL, APTRANSCO, KSEB, TNEB, Govt. of Goa, Govt. of Pondicherry, APEPDCL, APSPDCL, APCL, APNPDCL, APNPDCL, BESCOM, GESOM, HESOM and CESC.

Parties present : Shri Rakesh Prasad, PGCIL
Shri Rajeev Gupta, PGCIL

This petition has been filed for approval of transmission tariff in respect of (i) LILO of one circuit of Madurai-Trichy 400 kV D/C line along with 1x80 MVAR line reactor at Karaikudi sub-station and (ii) 2x315 MVA Auto transformers and downstream system with associated bays and equipments at Karaikudi sub-station under system strengthening-VII of SR Grid in Southern Region for the period from DOCO (1.8.2009) to 31.3.2014, in accordance with Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (herein after referred to as the 2009 regulations) after accounting for additional capital expenditure projected to be incurred during 2009-12.
2. As per the investment approval, the project was scheduled to be completed 36 months from the date of approval i.e. by August 2006. However, the transmission assets were declared under commercial operation on 1.8.2009.

3. In response to the Commission’s query regarding sharp rise in cost of the project, the representative of the petitioner submitted that the project cost was calculated at June, 2004 price level and letter of award (LoA) was issued in the month of August 2006. Subsequently, there have been sharp increases in the cost of the various materials resulting in high cost of the project.

4. The Commission directed the petitioner to submit the details of package-wise cost escalation from the date of investment approval i.e. May 2005 to May 2008 and May 2008 to actual date of commercial operation, i.e August 2009 latest by 19.11.2010, with an advance copy to the respondents.

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

   sd/-
   (T.Rout)
   Joint Chief (Law)