

CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Record of Proceedings

Petition No. 323/2010

Subject : Determination of transmission tariff 400 kV Transmission System associated with Farraka (I & II) STPS in Eastern Region for the period from 1.4.2004 to 31.3.2014.

Date of hearing : 27.3.2012

Coram : Dr. Pramod Deo, Chairperson
Shri S. Jayaraman, Member
Shri V.S. Verma, Member
Shri M. Deena Dayalan, Member

Petitioner : PGCIL, New Delhi

Respondents : Bihar State Electricity Board and 6 others

Parties present : Shri S.S Raju, PGCIL
Shri M.M. Mondal, PGCIL
Shri Prashant Sharma, PGCIL
Shri R.B. Sharma, Advocate, BSEB

This petition has been filed by PGCIL (hereinafter referred to as 'the petitioner') for approval of transmission tariff in respect of 400 kV Transmission System associated with Farraka (I & II) STPS in accordance with Central Electricity Regulatory Commission (Terms and Conditions of Tariff Regulation 2009) (herein after referred to as "the 2009 Regulations") .

2. The representative of the petitioner submitted that:-

- (i) The proposed additional capital expenditure may be admitted and requested to allow the tariff for 2009-14 period. The various lines were commissioned during 1986-94 and the Commission had already admitted the capital cost as on 31.3.2009, vide its order dated 7.2.2008.
- (ii) The additional capital expenditure has been claimed in the instant petition on account of tower strengthening in some transmission lines and replacement of some equipment in different sub-stations under Regulation 9(2) (v) of 2009 regulations.
- (iii) The replacement of equipments has become necessary for successful running and efficient operation of the Transmission System and the

expert committee constituted by CEA had recommended for tower strengthening.

- (iv) Regarding replacement of old equipments it was submitted that these equipments have either completed or going to complete 25 years of useful service. The equipments are giving frequent problems as they are old and obsolete and in most of the cases service and spare support are not available from Original Equipment Manufacturer (OEM).

2. In response to a query by the Commission, the representative of the petitioner submitted that DG set is proposed to be replaced due to obsolescence and less fuel efficiency. Regarding non-submission of test reports for some equipment, he submitted that the test reports are not available for some equipment and in case of equipment like Current Transformer (CT) the DGA test started recently and in some cases test reports are not available due to difficulty of approach to the sub-stations, etc.

3. The learned counsel for BSEB and JSEB submitted that the sub-station equipment proposed to be replaced has already completed 25 years and 90% depreciation has already been recovered their salvage value is only 10%. He also emphasized that as per Regulation 9 (2) (v) of 2009 regulations, only the expenditure incurred can be allowed as additional capital expenditure.

4. The representative of the petitioner clarified that as per 2009 regulations the projected additional capital expenditure is admissible subject to adjustment with actuals at the time of truing up.

5. The petitioner was directed to submit the following:-

- a) The comparison of fuel efficiency of the old DG set proposed to be replaced with the fuel efficiency of new DG set; and
- b) The test reports for all the equipments proposed to be replaced, to justify the replacements and in case the test results are not available reason for the same.

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

By the order of the Commission,

Sd/-
T. Rout
Joint Chief (Law)
3.4.2012

