CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Petition No. 84/TT/2019

- Subject : Petition for determination of transmission tariff from COD to 31.3.2019 for Asset 1: 765 kV *SIC* Jaipur (RVPN) Bhiwani TL (PART-I&II) along with associated bays under "Northern Region System Strengthening Scheme XXV" in Northern Region in pursuance to direction of commission in Review Petition No. 41/RP/2017.
- Date of Hearing: 11.2.2020
- Coram : Shri P. K. Pujari, Chairperson Shri I. S. Jha, Member
- **Petitioner** : Power Grid Corporation of India Ltd. (PGCIL)
- **Respondents** : Uttar Pradesh Power Corporation Ltd. & Ors
- Parties present : Shri R.B. Sharma, Advocate, BRPL & BYPL Shri A.K Verma, PGCIL Shri S.S Raju, PGCIL Shri Nitish Kumar, PGCIL Shri V.P Rastogi, PGCIL Shri Amit Kumar Jain, PGCIL

Record of Proceedings

The representative of the petitioner submitted that the instant petition is filed for determination of tariff from COD to 31.3.2019 for 765 kV S/C Jaipur (RVPNL) Bhiwani TL (PART-I&II) along with associated bays under "Northern Region System Strengthening Scheme XXV" in Northern Region. He submitted that the tariff for the instant assets was claimed initially in Petition No. 213/TT/2016 and the Commission vide order dated 7.9.2017 restricted the capital cost. Aggrieved by the above finding of the Commission, the petitioner preferred a Review Petition No. 41/RP/2017, wherein the Commission vide order dated 6.7.2018, directed the petitioner to file fresh petition including all the relevant information for determination of tariff of the instant asset. Pursuant to the directions of the Commission in order dated 6.7.2018, the instant asset was 18.3.2016 against which the asset was put into commercial operation on 7.10.2016. Therefore, there is a time over-run of 6 months and the same has already been condoned in Petition No. 213/TT/2016. He further submitted that the estimated completion cost is less than the approved apportioned FR cost.

ROP in Petition No. 84/TT/2019

Page 1

Thus, there is no cost over-run in the instant case. He submitted that all the information required for determination of tariff has been furnished and requested to allow tariff as prayed in the petition.

2. Learned counsel for BRPL submitted that the petitioner had used the glass insulators in place of long rod insulators on the ground of early execution of the instant asset. However, there is time over-run 6 months in case of the subject assets. The Commission has already condoned the time over-run of 6 months and thus the question of early completion of the line by three months by using the glass insulators is without any basis. He further submitted that the quantity of tower steel has decreased although the line length is increased which is a contradiction and thus the claim of the Petitioner for using the glass insulators leading to additional expenditure of ₹3.6 crore is liable to be rejected. He also submitted that the respondent's submissions on time over-run, effective tax rate, accrual IDC, and non-submission of CPM /PERT chart as covered in its reply may also be considered.

3. In response, the representative of the petitioner submitted that although the overall number of insulators has increased the overall cost of the asset has not increased. He further submitted that delay was because of ROW issues and the same has been already dealt and condoned by the Commission in order dated 7.9.2017 in Petition No. 213/TT/2016 and that is why no CPM/PERT chart has been filed in the instant petition. He submitted that there has been cost reduction by using the transmission tower with horizontal configuration in place of delta configuration which led to reduction in total quantity of tower steel used. This reduction in quantity of tower steel was achieved in spite of increase in line length by approximately 21 km.

4. The Commission directed the petitioner to submit the following information on affidavit with advance copy to the beneficiaries by 18.3.2020:

- a) The details of cost estimates along with Board Agenda note; relevant calculation of capital cost; basis of considering rate estimates as per standard order rate (latest order rate) and based on steel/land usage. Also to submit the complete details as sought vide order dated 7.9.2017 In Petition No. 213/TT/2016.
- b) The estimated completion cost in respect of instant asset claimed vide Audit certificate dated 17.8.2018 exceeds the estimated cost claimed earlier vide Audit certificate dated 7.3.2017. Clarify the same.
- c) Detailed statement for IDC in respect of foreign loans including date of drawal, element wise allocation of loan, rate of interest duly reconciled with the amount of IDC claimed vide Auditor's certificate dated 17.8.2018.

Page 2

- d) Discharge statement for IEDC and Initial Spares.
- e) Clarify how the cost of the subject asset is low when number of insulators has increased.
- f) The line length has increased however, there is reduction in number of towers and quantity of tower steel used. Clarify the same

5. The Commission directed the respondent to file their reply by 23.3.2020 and the Petitioner to file rejoinder, if, any, by 30.3.2020. The Commission directed the parties to comply within the specified time line and no extension of time shall be granted.

6. The matter shall be listed for hearing in due course for which a separate notice shall be issued to the parties.

By order of the Commission

sd/-(V. Sreenivas) Dy. Chief (Law)

Page 3