

**ISSUES FRAMED FOR HEARING TO BE HELD ON 28-11-2018 WITH RESPECT TO THE  
PETITION FILED BY NATIONAL TRANSMISSION AND DESPATCH COMPANY  
LIMITED (NTDCL) FOR THE DETERMINATION OF TRANSFER /WHEELING  
CHARGES PERTAINING TO THE FY 2017-18 & FY 2018-19**

**1. Status of Authority's Direction**

- i. What is the compliance status by NTDCL on the directions of the Authority given in the tariff determination for FY 2015-16 & FY 2016-17:
  - o To file next tariff petition on the basis of calculation of MDI on coincidental basis.
  - o To apprise the Authority about the progress of long pending five 220KV Grids Stations along-with allied transmission lines.
  - o To submit a detailed report regarding the reasons for major incidents of brownouts and blackouts and the preventive measures taken or to be taken to avoid such frequent system collapses in future.
  - o To provide summary of new hiring made during the FY 2015-16 and FY 2016-17 along with their financial and performance / operational impact in its next tariff petition.
  - o To ensure implementation of reliability indices for all in-process and future projects.
  - o To provide a detailed report on the recent improvements in networks undertaken to prevent transmission system breakdowns resulting in black outs and tripping particularly in cold foggy weather.
  - o To provide latest loading position of its 500 kV and 220 kV transmission links and grid station stations to the Authority on quarterly basis.
  - o To ensure installation of Secured Metering System (SMS) on remaining CDPs. A comprehensive report in this regard shall also be submitted to the Authority.
  - o To ensure timely right of way and other associated tasks assigned to NTDCL for timely completion of HVDC / all HVAC Transmission lines.
  - o To submit the updated progress regarding dispersal of power from major power plants in southern parts of the country on monthly basis.
  - o To share the TORs set for the engagement of international consultant for the capacity building of NTDC's Planning department.
  - o To apprise periodically the progress made on import of electricity with TAVANIR Iran and to submit the outcome (if any) of the Joint Working Group formed in this regard.

**2. Technical Issues**

- i. What steps have been taken by NTDC for power evacuation from upcoming Renewable Energy Projects? Whether the issues of power curtailment from HUBCO, Port Qasim and Renewable Energy Projects have been resolved or otherwise? Port Qasim claimed a damage of US \$ 119.13 million to plant and equipment.
- ii. Has there been any independent study carried out on the losses being claimed in petition?
- iii. What steps were taken in last 2 years to reduce the losses?
- iv. Whether the loss target of 2.93% for FY 2017-18 and projected level of loss target of 3.0% for FY 2018-19 is reasonable? What steps have been taken by NTDC for

elimination of the reasons (as identified by NTDC in its instant petition) for higher losses.

- v. How many power transformers and conductors have been upgraded under the previous tariff control period to reduce technical losses and system overloading / constraints?
- vi. What is the latest status of overloading? What were the reasoning identified for tripping and major blackout during May, 2018 and August, 2018? What remedial measures have been taken for preventing the transmission system breakdowns and cascading of power failures throughout the country in the next tariff control period?
- vii. What technical and administrative actions have been taken in view of frequent tripping observed in last 18 months?
- viii. Whether N-1 contingency has been assured for all transmission line projects being completed or in progress?

### **3. Investment**

- i. The Authority had allowed a total investment of Rs. 49,810 million to NTDC for FY 2016-17. What has been the project wise spending segregating the cost and time overrun? What is the impact of past investment and addition of coal /RLNG power in load centers on reduction of losses.
- ii. Petitioner to provide the component wise summary of Rs. 46,428 million and 49,815 million claimed, specify the time and cost overrun for these projects for which investment has been claimed?
- iii. What is the central planning framework being used to ensure that new investment will ease out existing and as well as to avoid future transmission constraints? Will the required NTDC investment address fully the overloading of 500 / 220 KV transmission lines and grids?
- iv. Whether actual progress of NTDC for evacuation of the power projects is in line with the interconnection study approved by the Company?
- v. What is the completion time of these projects for which investment has been claimed?
- vi. In view of huge investment claimed, what progress has been made to mobilize resources from private sector under transmission policy, 2015?
- vii. What is the status and sources of funds (local & foreign components) of the investments claimed in FY 2017-18 and 2018-19?
- viii. What strategy has been devised to address the frequent ROW challenges and to avoid the delays in implementation of development projects of NTDC?
- ix. How is the investment claimed associated with transmission system explain plan.
- x. What is the latest status of transmission system expansion plan to be developed under grid code and integrated with indicative generation capacity expansion plan (IGCEP)?
- xi. Whether NTDC formulated mechanism regarding forecast errors rebate in the Grid Code Addendum No. 2 (Revision-1) for Grid Integration of PV and CSP Solar Power Plants is reasonable and justified?

### **4. General Establishment and Administration Cost**

- i. Whether the Petitioner's requested General Establishment & Administration (GE&A) cost Rs. 8,264 million & Rs. 9,848 million for the FY 2017-18 and FY 2018-19, is justified?

- ii. Whether the request of petitioner for induction of 1,449 employees for the FY 2018-19 is justified?
- iii. Whether the Petitioner has maintained a separate post-retirement benefit fund?
- iv. Whether the proposed Repair & Maintenance expenditures for Rs. 744 million & Rs. 988 million for the FY 2017-18 and FY 2018-19 is justified?
- v. Whether any analysis is done for out sourcing of vehicle transport in view of existing high cost claimed on account of vehicles running expense plus repair and maintenance of vehicle expenses claimed?
- vi. What is the rationale for 60% increase in travel expense for 2017-18 over the last year's actual expenditure?
- vii. What are the reasons for high rising trend in professional fee actually incurred for the FY 2016-17 and also claimed for FY 2017-18 & FY 2018-19.
- viii. Whether the petitioner's projected insurance of Rs. 199 million & Rs. 259 million for the FY 2017-18 and FY 2018-19 is justified? Identify the Grid Station which are to be capitalized and the existing completion and expenditure status therein?
- ix. Whether the petitioner's projected depreciation of Rs. 7,019 million & Rs. 9,897 million for the FY 2017-18 and FY 2018-19 is justified? The additional capitalization of assets to be referred.
- x. What are the reasons for substantial increase in financial charges of Rs. 9,398 million & Rs. 12,098 million for the FY 2017-18 and FY 2018-19 is justified?
- xi. Whether the Petitioner's projected Return on Equity at 16% Rs. 20,230 million & Rs. 24,533 million for the FY 207-18 and FY 2018-19 are justified?
- xii. Whether the requested Cost of Debt of 12% is justified?
- xiii. Whether the Petitioner's projected Other Income of Rs. 1,531 million & Rs. 1,597 million for the FY 2017-18 and FY 2018-19 is reasonable?
- xiv. How is the charge out rate determined for services rendered to IPPs and DISCO's under the heading of "Other Income"?
- xv. Whether the proposed Average Monthly MDI MW/Month 21,419 for the FY 2017-18 on non-Coincidental Basis and Average Monthly MDI MW/Month 22,490 for the FY 2018-19 on non-Coincidental Basis by the petitioner is justified?
- xvi. Whether the cost over-run and commitment charges paid by the NTDCL needs to be adjusted in the transmission tariff? How the component of the requested Prior Year Adjustments (PYA) is justified?

## 5. Others

- i. Whether the calculation of Wheeling charge for the FY 2017-18 & 2018-19 based on Non-Coincidental basis is justified?
- ii. Whether claim of NTDC for allowing un-covered cost for FY 2015-16 & FY 2016-17 including reversal of the impact of K.E. Loan Adjustment on ROE and the Uncovered Cost for FY 2014-15 is justified?
- iii. Any other issue that may come up during the hearing.