

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 3/RP/2014

Subject : Review of order dated 14.11.2013 in Petition No. 57/TT/2012 in respect of determination of Fees and Charges for Unified Load Despatch and Communication Scheme (POWERGRID portion i.e. Communication System portion and SLDC system retained by the petitioner after formation of POSOCO) in Western Region for the period 2009-14 block under sub-section (4) of Section 28 of Electricity Act, 2003 read with Regulation 103 (1) of the CERC (Conduct of Business) Regulations, 1999.

Date of Hearing : 17.4.2014

Coram : Shri Gireesh B.Pradhan, Chairperson
Shri A.K. Singhal, Member

Petitioner : Power Grid Corporation of India Ltd.

Respondents : Madhya Pradesh Power Trading Company Ltd. and others

Parties present : Shri S.S. Raju, PGCIL
Shri M.M. Mondal, PGCIL
Shri J. S. Gulati, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri M.G. Ramachandran, Advocate, NCA
Shri Hemant Pandey, NCA

Record of Proceedings

The representative of the petitioner submitted that the instant review has been filed seeking review of order dated 14.11.2013 in Petition No.57/TT/2012, wherein fees and charges for Unified Load Despatch & Communication Scheme (POWERGRID portion) in WR for the period 2009-14 was allowed. He submitted that the review is sought on the following grounds:-

- (a) The Interest on Working Capital (IWC) was allowed @ 1% of the capital cost along with escalation @ 6% during the 2004-09 period. However, IWC has been allowed in the impugned order @ 15% of the O&M expenses and it is causing financial loss. As such the methodology adopted in the 2004-09 tariff



- period should be adopted in the 2009-14 tariff period also for working out the IWC.
- (b) In the absence of any specified format, the details of the actual and projected O&M expenses as available in the books of accounts was submitted. The details of the O&M expenses were submitted in the same format as given in the 2004-09 period. However, some of the O&M expenses have been disallowed in the impugned order as the details were not provided. The details of O&M expenses are now given in the review petition and the same may be allowed.
- (c) The deferred tax accumulated upto 31.3.2009 has been allowed to be recovered in other cases whereas the same has not been allowed in the impugned order. As such, the recovery of deferred tax upto 31.3.2009 may be allowed in the instant case as well.

2. The representative of the petitioner submitted that a similar approach has been adopted in the other four regions and requested to allow the relief granted in the instant petition for other regions also. The Commission observed that each petition has to be considered on its own merits.

3. The learned counsel for Narmada Control Authority (NCA) submitted that NCA is a statutory body set up to generate power on behalf of Madhya Pradesh, Maharashtra and Gujarat and all the expenses related to generation are borne by the three States. He requested permission to file a detailed affidavit in this regard. He further submitted that NCA *per se* is not against allowing the present review.

4. The Commission directed NCA to file its submissions by 25.4.2014. The Commission reserved its order in the matter.

By order of the Commission

sd/-
(T. Rout)
Chief Legal

