

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 444/TT/2014

- Subject : Truing up of transmission tariff for 2009-14 tariff period and approval of transmission tariff for 2014-19 tariff period for LILO of Vemagiri-Gajuwaka 4000 kV D/C Line at Simhadri-II TPS under transmission system associated with Simhadri-II generation project in Southern Region
- Date of Hearing : 21.12.2015
- Coram : Shri A.S Bakshi, Member
Dr. M.K. Iyer, Member
- Petitioner : Power Grid Corporation of India Limited
- Respondents : Karnataka Power Transmission Corporation Ltd. (KPTCL) & 14 Others
- Parties present : Shri Anshul Garg, PGCIL
Shri Angaru Naresh Kumar, PGCIL
Shri Jasbir Singh, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri M.M. Mondal, PGCIL
Shri Sashi Bhushan, PGCIL
Shri J. Mazumder, PGCIL
Shri R. Prasad, PGCIL
Shri Sunil Kumar, PGCIL
Shri S.S. Raju, PGCIL
Shri S. Vallinayagam, Advocate, TANGEDCO

Record of Proceedings

The representative of the petitioner submitted that:-

- a) The instant petition has been filed for truing up of transmission tariff for 2009-14 tariff period and determination of transmission tariff for 2014-19 tariff period for LILO of Vemagiri-Gajuwaka 400 kV D/C Line at Simhadri-II TPS under



transmission system associated with Simhadri-II generation project in Southern Region.

- b) The transmission charges for the instant asset was approved vide order dated 22.7.2014 in Petition No.58/2011.
- c) Provisional tariff was allowed for the instant asset vide order dated 27.9.2011 for tariff period 2009-14 on the basis of capital cost of ₹3106.05 lakh as on anticipated COD of 1.5.2011 and additional capitalization of ₹136.00 lakh during 2011-12.
- d) As per Auditor's Certificate dated 30.10.2014, the capital cost as on COD is ₹2821.41 lakh. However, ₹2816.15 lakh is claimed in the instant petition on account of deduction of excess initial spare cost of ₹5.26 lakh.
- e) Additional capital expenditure of ₹285.42 lakh and ₹63.60 lakh claimed in 2011-12 and 2012-13, respectively, is towards balance and retention payments within cut-off date under Clause 1 of Regulation 9 of the 2009 Tariff Regulations for the tariff period 2009-14.
- f) No additional capitalization has been claimed for tariff period 2014-19.

2. In response to a query of the Commission regarding increase in additional capitalization by ₹213.02 lakh during tariff period 2009-14, the representative of the petitioner submitted that justification for such increase in additional capitalization will be submitted.

3. The learned counsel for TANGEDCO submitted that there is increase in additional capitalization by ₹149.42 lakh and ₹63.60 lakh in 2011-12 and 2012-13, respectively. Regulation 9(1) of the 2009 Tariff Regulations provides for additional capitalization on account of un-discharged liabilities after cut-off date (i.e. 31.3.2014). However, the petitioner in its earlier Petition No. 58/2011 had not claimed any additional capitalization on account of un-discharged liabilities. Therefore, the petitioner should provide the detailed justification for increase in additional capitalization by ₹149.42 lakh and ₹63.60 lakh in 2011-12 and 2012-13, respectively. The learned counsel for TNAGEDCO submitted that the O&M Expenses should be allowed as per the Regulations and petitioner's prayer for revision of O&M Expenses due to wage revision cannot be entertained as the 2014 Tariff Regulations do not provide the same. In this regard, the representative of the petitioner submitted that O&M expenses have been claimed in accordance with norms specified in the 2014 Tariff Regulations. The wage revision is due by 1.1.2017 and accordingly the petitioner would approach the Commission for suitable revision in the norms for O&M Expenses for claiming the impact of wage hike.



4. The learned counsel for TANGEDCO submitted that the petitioner has submitted that adjustment due to any additional tax demand including interest duly adjusted for any refund of tax including interest received from IT authorities shall be recoverable/ adjustable during/ after completion of income tax assessment of the financial year. He submitted that in accordance with the 2014 Tariff Regulations, the difference in tax cannot be billed separately from the beneficiaries. In this regard, the representative of the petitioner clarified that the tax rate has been grossed up in RoE in accordance with Regulation 25(3) of the 2014 Tariff Regulations.

5. The Commission directed the petitioner to submit the reasons for increase in additional capital expenditure during 2011-12 and 2012-13, clarify the issues raised by TANGEDCO and submit replies to the queries sought vide letter dated 18.12.2015 on affidavit with copy to respondents by 31.12.2015.

6. The Commission further directed that the above information should be filed by the specified date, failing which the matter would be decided on the basis of the information already available on record.

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

By order of the Commission

Sd/-
(M.M Chaudhari)
Assistant Chief(Fin)

