

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 516/TT/2014**

Subject : Truing up of for 2013-14 and determination of transmission tariff for 2014-19 tariff block for 400 kV Double Circuit Gorukhpur-Lucknow Transmission Line and 400 kV Double Circuit Bareilly-Mandola Transmission Line in Northern Region associated with Tala Hydro Electric Project, East-North Interconnector and Northern Region Transmission System.

Date of Hearing : 20.09.2016

Coram : Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member  
Dr. M. K. Iyer, Member

Petitioner : Powerlinks Transmission Limited

Respondents : Rajasthan Rajya Vidyut Prasaran Nigam Limited and 17 others

Parties present : Shri Amit Kapoor, Advocate, PTL  
Shri M Janmau, Advocate, PTL  
Ms. Nita Jha, Advocate, PTL  
Shri Dilip Kumar, PTL  
Shri Gajender Bhandari, PTL

**Record of Proceedings**

The learned counsel for the petitioner submitted that the instant petition has been filed for truing up of tariff of 2013-14 and determination of tariff for 2014-19 tariff block for 400 kV Double Circuit Gorukhpur-Lucknow Transmission Line and 400 kV Double Circuit Bareilly-Mandola Transmission Line in Northern Region. The tariff for the instant asset for the 2009-14 period was allowed vide order dated 17.3.2011 in Petition No.287/2009.



2. As regards the truing-up of tariff of the 2013-14 period, learned counsel for the petitioner submitted as follows:-

- (i) There is no additional capital expenditure in 2013-14 and accordingly truing up on account of additional capital expenditure is not required for 2013-14 period.
- (ii) Additional O&M Expenses arising on account of pay revision for 2013-14 over and above the Normative O&M Expenses may be allowed under Regulation 44 of 2009 Tariff Regulations, i.e. 'Power to Relax';
- (iii) 'Incentive' based on the actual availability during 2013-14 on Annual Fixed Charges may be allowed.
- (iv) Transmission Majoration Factor (TMF) for 2013-14 is claimed on the basis of order dated 1.7.2004 in the Petition No.51/2004 whereby TMF for Powerlinks was allowed.

3. As regards the determination of transmission tariff for 2014-19 period, learned counsel for the petitioner submitted as follows:-

- (i) Capitalization of penal amount to be paid towards sales tax was disallowed in order dated 6.5.2016 in Petition No. 18/TT/2014 accordingly the same is not being claimed in the instant petition;
- (ii) The present ERP system is outdated and therefore for better management of the business, a robust ERP system namely, SAP costing ₹110.13 lakh is envisaged and the apportioned cost to the instant assets works out to ₹23.24 lakh The aforesaid capital expenditure is claimed under Regulation 14(3)(ix) of 2014 Tariff Regulations;
- (iii) Replacement of porcelain insulators with polymer insulators expenditure including normative IDC of ₹153.36 lakh is estimated to be incurred during 2015-16 and the same is claimed under Regulation 14(3)(ix) of 2014 Tariff Regulations;
- (iv) Capital expenditure of ₹10 lakh is estimated on account of procurement of two compression light weight machines and the same may be allowed under Regulation 14(3)(ix) of 2014 Tariff Regulations;
- (v) Incentive based on actual/projected availability for 2014-19 on Annual Fixed Charges alongwith TMF charges may be allowed.
- (vi) TMF for 2014-19 is claimed on the basis of order dated 1.7.2004 in Petition No. 51/2004 whereby TMF was allowed.



4. The Commission directed the petitioner to submit the following information on affidavit, with an advance copy to the respondents, by 7.10.2016.

(i) Calculation of normative IDC during 2014-19 and Auditor's Certificates for additional capitalization incurred/projected to be incurred during 2014-19 showing segregated value of normative IDC and original expenditure for the asset.

(ii) Whether any actual loan has been deployed for additional capitalization during 2014-19. If yes, details of loan i.e. name, amount and date of drawl, rate of interest with their supporting documents and repayment schedule of the loan deployed.

(iii) Whether any dividend has been paid by the petitioner to its shareholders? If so, what is the % or amount?

5. The Commission directed the respondents to file their replies by 17.10.2016 with an advance copy to the petitioner who shall file its rejoinder, if any, by 21.10.2016, failing which the matter would be decided on the basis of the information already available on record.

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

By order of the Commission

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

