

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Review Petition No. 2/RP/2017

IN

Petition No. 46/TT/2014

Subject : Review petition for review of the Order dated 29.7.2016 in Petition No. 46/TT/2014 under section 94 of the Electricity Act, 2003.

Date of Hearing : 11.7.2017

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

Petitioner : Power Grid Corporation of India Limited

Respondents : Madhya Pradesh Power Management Company Limited and 7 others

Parties present : Shri M.G. Ramachandran, Advocate, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Jasbir Singh, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri S.S. Raju PGCIL
Shri B. Dash, PGCIL

Record of Proceedings

Learned counsel for the Review Petitioner submitted that the instant review petition has been filed for review of the Commission's order dated 29.7.2016 in Petition No.46/TT/2014, wherein the Commission limited the IEDC to a percentage of the hard cost. Learned counsel submitted that the IEDC is actual expenditure incurred and the petitioner may not be denied such expenditure merely because it exceeds the initial estimates. Learned counsel submitted that the capitalization of expenditure should be based on actual expenditure, subject to the prudence check of the Commission and it should not be restricted merely because it exceeds the initial estimate.



2. Learned counsel submitted that in the impugned order dated 29.7.2016, the Commission has condoned the time over-run of 17 months and permitted capitalization of IDC and IEDC. However, the Commission has limited the IEDC to a percentage of the hard cost based on the Abstract Cost Estimate and thereby disallowing ₹260.31 lakh of IEDC. Learned counsel requested to allow the IEDC as claimed in Petition No.46/TT/2014.

3. The Commission directed the Review Petitioner to submit its accounting policy regarding treatment and allocation of IEDC on affidavit, latest by 4.8.2017, with an advance copy to the respondents.

4. Subject to above, the Commission reserved the orders in the review.

By order of the Commission

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

