

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 60/TT/2018

- Subject** : Petition for truing up transmission tariff for 2009-14 tariff block and determination of transmission tariff for 2014-19 tariff block for Transmission System under Northern Region Strengthening Scheme-XXII in Northern Region.
- Date of Hearing** : 8.5.2018
- Coram** : Shri P.K. Pujari, Chairperson
Shri A. K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M. K. Iyer, Member
- Petitioner** : Power Grid Corporation of India Limited (PGCIL)
- Respondents** : Rajasthan Rajya Vidyut Prasaran Nigam Limited and 16 Others.
- Parties present** : Shri Vivek Kumar Singh, PGCIL
Shri S.S. Raju, PGCIL
Shri S.K. Venkatesan, PGIL
Shri V.P. Rastogi, PGCIL
Sri Rakesh Prasad, PGCIL
Shri R.B. Sharma, Advocate, BRPL

Record of Proceedings

Instant petition is filed by PGCIL for truing up of transmission tariff for 2009-14 tariff block and determination of transmission tariff for 2014-19 tariff block for 400 kV D/C Kishenpur-Samba T/L alongwith bays at both ends, 400/220 kV, 315 MVA, ICT-I alongwith associated bays at Samba and 3 nos. 220 kV line bays under Northern Region Strengthening Scheme -XXII in Northern Region.

2. The representative of the petitioner submitted that all the necessary details including IDC/IEDC, initial spares etc. have been furnished, hence the tariff may be allowed as prayed for.

3. Learned counsel for the respondent, BRPL has made the following submissions:-



- (i) The petitioner has claimed ₹2306.03 lakh from COD to 31.3.2014 under Regulation 9(1)(i) of 2009 Tariff Regulations for balance payment but the certificate of Cost Account indicates the expenditure of ₹1986.07 lakh from COD to 31.3.2014. This discrepancy is required to be reconciled.
- (ii) Additional capitalization amounting to ₹177.17 lakh for ICT-I on initial spares is in excess of the ceiling norms of 2.5% prescribed under Regulation 8 of 2009 Tariff Regulations and as such the excess initial spares amounting ₹40.16 may not be allowed as no ground has been made out by the petitioner for relaxation under Regulation 44 of the 2009 Tariff Regulations.
- (iii) The petitioner's claim towards additional capitalization amounting to ₹155.79 lakh for 2016-17 and ₹52.67 lakh during 2017-18 towards balance works under Regulation 14(3)(vi) of the 2014 Tariff Regulations is liable to be rejected for want of details of the works asset-wise/work-wise included in the original scope of work.
- (iv) The petitioner's claim towards additional capitalization amounting to ₹301.79 lakh for 2016-17 and ₹82.63 lakh during 2017-18 towards retention payment under Regulation 14(3)(v) of the 2014 Tariff Regulations is also liable to be rejected as nothing is there on record that the works for which additional capitalization is claimed, were completed before the cut-off date.
- (v) The IDC amounting ₹39.92 lakh has been included in the additional capitalization for the tariff period 2014-15 under Regulation 14(1)(i) of the 2014 Tariff Regulations wherein only those liabilities are recognized to be payable which are there in the original scope of works. However, the accrual IDC is not recognized in any sub-clause under Regulation 14(1) of the 2014 Tariff Regulations. Thus, the claim of the petitioner on this count is liable to be rejected.

4. In response, the representative of the petitioner made the following submissions:-

- (i) Accrued IDC of ₹ 319.97 lakh as on COD was not considered while calculating the tariff as the same was undischarged upto COD. The accrued IDC of ₹319.97 lakh has been taken out of COD expenditure and added in the add-cap of ₹1986.07 from COD to 31.3.2014, when it has been discharged, thus it amounts to ₹2306.3 lakh. The IDC may be allowed on the basis of cash outflow.
- (ii) Initial spares are essential spare for reliability, safety, security and smooth running of the grid and thus be allowed in full under Regulation 44 of 2009 Tariff Regulations.
- (iii) The add-cap incurred during 2016-17 and 2017-18 is after the cut-off date and is



covered under Regulation 14(3)(v) and 14(3)(vi) of 2014 Tariff Regulations. The work was withheld due to series of disturbances on account of militancy in Samba, Kathua and Pathankot area as there were terror attacks at Samba in September, 2013, at Kathua in March, 2015 and in Pathankot in January, 2016 and the same impeded progress of the project. All the labour left the site *en mass* because of life threat and the work could be resumed after great persuasions.

(iv) The contractor-wise and type of work/payments, details after cut-off date have been submitted vide affidavit dated 23.3.2018.

5. After hearing the parties at length, the Commission reserved the order in the petition.

By order of the Commission

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

