

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 64/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 Associated with System Strengthening in NR for Sasan and Mundra UMPP 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** : Rajashthan 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 "Transmission System Associated with System Strengthening in NR for Sasan and Mundra UMPP in Northern Region in respect of Asset-I: 400 kV Agra-Sikar (D/C Quad) line with associated bays at Agra, Asset-II : 2 nos. 400 kV line bays for 400 kV D/C Agra-Sikar line including 2 nos. 50 MVAR line reactors under Bus Reactor operation mode at 400/220 kV Sikar Sub-station under Regulation 6 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff), Regulations, 2009 ("2009 Tariff Regulations") and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 ("2014 Tariff Regulations").



2. Brief submissions of the representative of the petitioner are as follows:-
- (a) The final tariff for 2009-14 tariff block was allowed vide order dated 13.8.2015 in Petition No. 300/TT/2013. The petitioner filed Review Petition No. 21/RP/2015 for review of the said order dated 13.8.2015 for shifting of COD of 400 kV DC Agara-Sikar transmission line to 1.8.2013 in place of 1.1.2014 and condonation of time over-run.
 - (b) The Commission in order dated 21.12.2015 in Petition No. 21/RP/2015 allowed and preponed the COD of the line reactors and line bays to 1.8.2013 and directed the petitioner to submit the capital cost of the line reactors and line bays of Asset B as on 1.8.2013 at the time of truing up and rejected its plea of time over-run. Appeal No. 85 of 2016 was preferred by the petitioner before the Appellate Tribunal as the Commission in Petition No. 300/TT/2013 deducted the IDC and IEDC due to time over-run in respect of Assets I and II and the Hon'ble Tribunal has reserved order in the said Appeal.
3. Learned counsel for the BRPL has made the following submissions:-
- (a) There is mismatch between the capital cost and additional capitalization in respect of Assets-I and II as on 31.3.2014 as claimed by the petitioner and as allowed in order dated 13.8.2015 in Petition No. 300/TT/2013.
 - (b) The initial spares claimed for transmission lines are more than the norms which may be restricted to the norms specified in the 2014 Tariff Regulations.
 - (c) The COD of the Asset will continue to be 1.4.2014 instead of 1.8.2013 as the Hon'ble Tribunal in its recent judgment dated 18.1.2018 in Appeal Nos. 198 of 2015 and 6 of 2016 has held that some parts of the transmission system viz bays and line reactors cannot be considered as commissioned and claimed to be put in commercial operation without commissioning of the associated transmission line(s). The completeness/intended use of the transmission system should be viewed in its entirety.
 - (d) Petitioner's claim for additional capitalization amounting to ₹638.67 lakh for 2017-18 towards retention payment under Regulation 14(3)(v) of 2014 Tariff Regulations is liable to be rejected as nothing is there on record to show that the works are executed prior to the cut-off date and no reasons have been given for withholding of the payment.
 - (e) The claim of the petitioner for IDC of ₹22.94 lakh included in the additional capitalization for the period 2014-15 included under Regulation 14(1)(i) of 2014 Tariff Regulations is liable to be rejected as the accrual IDC is not recognized under the said Regulation.



(f) Increase in the employee cost, if any, due to wage revision must be taken care of by the improvement in their productivity levels by the petitioner so that the beneficiaries are not unduly burdened over and above the provisions of the 2014 Tariff Regulations.

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

(a) The issue of COD was settled vide order dated 21.12.2015 in Petition No 21/RP/2015 and as such the petitioner cannot raise the same issue once again at the stage of truing up.

(b) Accrued IDC as on COD was not considered while calculating the tariff as the same was undischarged upto COD. The accrued IDC has been taken out of COD expenditure and added in the additional capitalization when it is discharged. The IDC may be allowed on cash outflow basis.

5. After hearing the parties, the Commission directed the petitioner to file the following information, on affidavit by 30.5.2018, with a copy to the respondents:-

- (i) Form 5B i.e. "Details of Element-wise cost of the Project" as per RCE.
- (ii) Calculations for Weighted Average Life of the Combined Assets.

6. The Commission directed the respondents to file their reply, if any, by 8.6.2018 with an advance copy to the petitioner, who shall file its rejoinder, if any, by 15.6.2018. The Commission further directed the parties to comply with the timeline specified, failing which the order shall be passed on the basis of the documents available on record.

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

By order of the Commission

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

