

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Review Petition No. 41/RP/2017

Coram:

**Shri A.K. Singhal, Member
Shri A.S.Bakshi, Member**

Dr. M.K. Iyer, Member

Date of Order :.08.03.2018

In the matter of:

Petition for review and modification of the order dated 7.9.2017 in Petition No.213/TT/2016.

And in the matter of:

Power Grid Corporation of India Limited
"Soudamini", Plot No. 2, Sector 29,
Gurgaon -122001.

.... Review Petitioner

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited
Vidyut Bhawan, Vidyut Marg
Jaipur-302 005.
2. Ajmer Vidyut Vitran Nigam Limited
400 kV GSS Building (Ground Floor)
Ajmer Road, Heerapura, Jaipur-302 024.
3. Jaipur Vidyut Vitran Nigam Limited
400 kV GSS Building (Ground Floor)
Ajmer Road, Heerapura, Jaipur-302 024.
4. Jodhpur Vidyut Vitran Nigam Limited
400 kV GSS Building (Ground Floor)
Ajmer Road, Heerapura, Jaipur-302 024.
5. Himachal Pradesh State Electricity Board
Vidyut Bhawan
Kumar House Complex Building II
Shimla-171 004.



6. Punjab State Electricity Board
Thermal Shed TIA
Near 22 Phatak
Patiala-147 001.
7. Haryana Power Purchase Centre
Shakti Bhawan, Sector-6
Panchkula (Haryana)-134 109.
8. Power Development Department
Government of Jammu & Kashmir
Mini Secretariat, Jammu-180 001.
9. Uttar Pradesh Power Corporation Limited
(Formerly Uttar Pradesh State Electricity Board)
Shakti Bhawan, 14, Ashok Marg
Lucknow-226 001.
10. Delhi Transco Limited
Shakti Sadan, Kotla Road,
New Delhi-110 002.
11. BSES Yamuna Power Limited
BSES Bhawan, Nehru Place
New Delhi-110 019.
12. BSES Rajdhani Power Limited
BSES Bhawan, Nehru Place
New Delhi-110 019.
13. North Delhi Power Limited
Power Trading and Load Dispatch Group
Cennet Building, Adjacent to 66/11 kV Pitampura-3
Grid Building, Near PP Jewellers
Pitampura, New Delhi-110 034.
14. Chandigarh Administration
Sector-9, Chandigarh-160 009.
15. Uttarakhand Power Corporation Ltd.
Urja Bhawan, Kanwali Road,
Dehradun-248 001.
16. North Central Railway,
Subedarganj
Allahabad-211 015.



17. New Delhi Municipal Council
Palika Kendra, Sansad Marg,
New Delhi-110 002.

.....Respondents

For Petitioner: Shri Sitesh Mukherjee, Advocate, PGCIL
Shri S.S. Rao, PGCIL
Shri Deep Rao, PGCIL

For Respondents: None

ORDER

This review petition is filed by Power Grid Corporation of India Limited (“the Review Petitioner”) seeking review of the order dated 7.9.2017 in Petition No.213/TT/2016 (Impugned Order”). The transmission tariff for 765 kV S/C Jaipur (RVPN)-Bhiwani transmission line 2nd circuit with 240 MVAR (Non-switchable) line reactor and associated bays at Bhiwani end and 240 MVAR (Non-switchable) line reactor and associated bays at Jaipur (RVPNL) end (“transmission assets”) under “Northern Region System Strengthening Scheme XXV” (“transmission system”) was allowed vide order dated 7.9.2017. The Commission restricted the capital cost of the 765 kV S/C transmission line to the indicative cost of ₹1.56 cr/km submitted by the CTU for the computation of POC charges. Further, the Additional Capital Expenditure ₹8039.90 lakh claimed by the Review Petitioner was also disallowed as it was in excess of the considered indicative capital cost of ₹1.56 Cr/km.

2. The Review Petitioner has sought review of the impugned order for restricting the capital cost of the 765 kV S/C transmission line to ₹1.56 Cr/km of the indicative cost submitted by the CTU and disallowance of IDC amounting to ₹642.89 lakh to be



discharged after COD.

3. The Review Petitioner has sought review of the Impugned Order on the following grounds:-

- a) In the absence of adequate reference data in respect of 765 kV S/C transmission line, the Commission should have conducted prudence check of the capital cost claimed by the Review Petitioner as provided under Regulation 10(1) of the 2014 Tariff Regulations instead of pegging the capital cost to the indicative cost submitted by the CTU.
- b) The reasons for the cost variation between the Feasibility Report (“FR”) estimate and the completion cost were furnished vide its rejoinder dated 28.4.2017 to the reply filed by BYPL. However, the Commission in para 18 of the impugned order directed the Review Petitioner to submit, inter alia, detailed justifications for change in the configuration of towers and insulators, details of cost estimates along with the Board agenda note and relevant calculation of capital cost at the time of true-up. The Commission should have given an opportunity to the Review Petitioner to furnish the said information at the time of adjudication of Petition No. 213/TT/2016 and the absence of the same amounts to prejudice.
- c) As per Regulation 7(4) of 2014 Tariff Regulations, the petition for determination of tariff can be filed based on capital expenditure incurred or projected to be incurred upto the COD and additional capital expenditure incurred, which is duly certified by Auditor. Auditor’s certificate dated 7.3.2017 is based on accrued



IDC. The IDC to be discharged during 2016-17 and 2017-18 amounted to ₹642.89 lakh was taken out of COD cost and claimed as additional capital expenditure when it is discharged. Restricting the capital cost and disallowance of IDC of ₹642.89 lakh to be discharged after COD is prejudicial to the interest of the Review Petitioner and it has impacted the cash flows of the Review Petitioner. Restricting the capital cost of the instant assets without giving an opportunity to furnish relevant information has summarily prejudiced the Review Petitioner's rights which are contrary to law and is sufficient reason for review.

4. We have considered the submissions of the Review Petitioner. There is prima facie case for review of the impugned order. Accordingly, we admit the review petition and issue notice thereon to the Respondents.

5. The Review Petitioner is directed to serve a copy of the petition on the respondents by 9.3.2018 and the respondents to file their reply by 28.3.2018 and the petitioner to file rejoinder, if any, by 11.4.2018. The parties are directed to comply with the directions within the specified timeline and no extension of time shall be granted.

6. The review petition shall be listed on 24.4.2018 for final hearing.

sd/-
(M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

