

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 322/TT/2019

Subject : Petition for truing up of transmission tariff for 2009-14 period and determination of tariff for 2014-19 period under provision of Spare ICTs and reactors for Eastern, Northern, Southern and Western Regions.

Date of Hearing : 18.11.2019

Coram : Shri P.K. Pujari, Chairperson
Dr. M. K. Iyer, Member
Shri I. S. Jha, Member

Petitioner : Powergrid Corporation of India Limited

Respondents : Bihar State Power (Holding) Company Limited

Parties present : Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri Amit Yadav, PGCIL
Shri B. Dash, PGCIL
Shri R.B. Sharma, Advocate, BSP(H)CL

Record of Proceedings

The representative of the petitioner submitted that the present petition is filed for truing up of the tariff of 2009-14 period and determination of tariff for 2014-19 period in respect of 1 No. 160 MVA, 220/160 kV, 3-ph Transformer at Baripada under the Provision of Spare ICTs and Reactors for Eastern, Northern, Southern and Western Regions. He further submitted that they initially claimed the tariff of the instant asset in Petition No. 43/TT/2013 and the Commission vide order dated 10.7.2015 allowed the tariff of the said asset directing it to submit the details of the de-capitalization of the replaced ICT at the time of truing up. He further submitted that they filed Petition No. 37/TT/2017 for truing up the subject asset. The Commission, however, declined to entertain the said petition without there being complete details of de-capitalization of the replaced ICT. He submitted that three 100 MVA ICTs were operational in Purnea Sub-station. Two of the ICTs were put into commercial operation in December, 1986 and the third ICT in November, 2003. He clarified that the third ICT, which has not yet completed 25 years of life, was replaced with new 160 MVA ICT. As the replaced third ICT has not completed 25 years, de-capitalization is not applicable in the instant case.



2. Learned counsel for BSP(H)CL submitted that in terms of Regulation 7(1) of 2009 Tariff Regulations, the asset not in use shall be taken out of the capital cost. As the ICT that is replaced has completed 25 years of life, it should be decapitalised. Citing the judgment of Appellate Tribunal for Electricity dated 25.4.2016 in Appeal No. 98 of 2015, he submitted that in the absence of specific provisions in the regulations regarding capitalization of the cost of spare assets, such assets cannot be included in the capital base. He further termed the publication of report of the Spares Committee as inconsequential until its recommendations are included in the Tariff Regulations.

3. After hearing the parties, the Commission reserved order in the matter.

By order of the Commission

sd/-
(V. Sreenivas)
Deputy Chief (Law)

