

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 127/TT/2020

Subject : Petition for truing up of transmission tariff of 2014-19 period and determination of transmission tariff of 2019-24 period for 5 assets under "Transmission System associated with NRSS-XIII" in Northern Region.

Date of Hearing : 9.6.2020

Coram : Shri P.K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member

Petitioner : Power Grid Corporation of India Limited

Respondents : Rajasthan Rajya Vidyut Prasaran Nigam Limited
& 17 Others

Parties present : Shri R.B. Sharma, Advocate, BRPL
Shri A.K. Verma, PGCIL
Shri B. Dash, PGCIL
Shri V.P. Rastogi, PGCIL

Record of Proceedings

The matter was heard through video conferencing.

2. The representative of the Petitioner submitted that the instant petition is filed for truing up of transmission tariff of 2014-19 period and determination of transmission tariff of 2019-24 period in respect of Asset-I: 400 kV D/C (Quad) Gurgaon Manesar Transmission Line along with associated bays, Asset-II: 400/200 kV 500 MVA ICT-I at Manesar Sub-station along with associated bays, Asset-III: 400/200 kV 500 MVA ICT-II at Manesar Sub-station along with associated bays, Asset-IV: 125 MVAR Bus Reactor at Manesar and Asset-V: 2 Nos. of 220 kV Line Bays at Fatehabad Sub-Station under "Transmission System associated with NRSS-XIII" in Northern Region. He submitted that all the assets were put into commercial operation during 2009-14 tariff period. The tariff for 2014-19 tariff period in respect of Assets-I to IV of the instant petition was determined vide order dated 11.12.2018 in Petition No. 108/TT/2018 and for Asset-V vide order dated 18.2.2016 in Petition No. 57/TT/2015. He further submitted that the capital cost allowed by the Commission for Combined Asset-A consisting of Assets-I to IV and Asset-B consisting of Asset-V as on 31.3.2014 was ₹22079.42 lakh whereas the amount claimed in the true up petition as on 31.3.2014 is ₹22272.12 lakh. He submitted



that there is difference between the cost claimed earlier and the cost claimed in the instant petition and the same is on account of initial spares which has now been claimed as a percentage of the total project cost as per the judgment of the Appellate Tribunal for Electricity dated 14.9.2019 in Appeal No. 74 of 2017. Against the projected add-cap of ₹4341.91 lakh in case of Combined Asset-A, the actual add-cap claimed in the instant petition is ₹3963.71 lakh during the 2014-19 period. Hence, the add-cap claimed in the instant petition is less than the add-cap allowed in the previous order. He submitted that the cut-off date for Combined Asset-A is 31.3.2015 and that the add-cap is on account of balance and retention payments wherein the work was completed before the cut-off date but the payment was made after the cut-off date.

3. The learned counsel for BRPL submitted that in terms of Regulation 8(1) of 2014 Tariff Regulations, re-calculation of 'Initial Spares' based on the capital cost for the tariff period 2009-14 is not permissible. The tariff of 2009-14 period alongwith its true up has already been finalized. He submitted that the judgment of the Tribunal is applicable for trueing up of the tariff for the 2009-2014 period and thus the said judgment is distinguishable from the case at hand as the Tribunal did not render any finding on the issue of true up for the 2014-19 tariff period. He submitted that the Petitioner has stated in Form 3 of the petition that the effective tax rate is 'nil' for 2014-19 period which is contrary to the averments made in the petition that the tax rate considered for the period 2014-15 and 2015-16 is based on assessment orders issued by Income Tax Authorities for the purpose of grossing up of RoE, the effective tax rate for the period 2016-17 and 2017-18 is based on Income Tax Returns filed and for the period 2018-19 pending filing the Income Tax Returns, the effective tax is calculated on MAT. He further submitted that the Petitioner should not be allowed to gross up the RoE with effective tax rate.

4. After hearing the parties, the Commission directed the Petitioner to submit the following information, on affidavit, by 26.6.2020 with an advance copy to the Respondents:-

a. Justification for Additional Capitalization claimed during 2014-19 period.

b. Details with regard to additional capitalization claimed during 2014-15 to 2018-19 period in the following format:-

Asset No.	Head-wise /Party-wise	Particulars	Year of Actual Capitalization	Outstanding Liability as on COD/31st March 2014*	Discharge (year wise)				Reversal (year wise)				Additional Liability Recognized				Outstanding Liability as on 31.3.2019	
					2014-19 period				2014-19 Period				2014-19 Period					
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