

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 128/TT/2020

Subject : Petition for truing up of transmission tariff of the 2014-19 period and determination of transmission tariff of the 2019-24 period for one asset under “Northern Regional System Strengthening Scheme-XXX” in Northern Region.

Date of Hearing : 28.7.2020

Coram : Shri I. S. Jha, Member
Shri Arun Goyal, Member

Petitioner : Power Grid Corporation of India Limited

Respondents : Rajasthan Rajya Vidyut Prasaran Nigam Ltd. & 16 Others

Parties present : Shri R.B. Sharma, Advocate, BRPL
Shri A.K. Verma, PGCIL
Shri S.S. Raju, PGCIL

Record of Proceedings

The matter was heard through video conference.

2. The representative of the Petitioner submitted that the instant petition has been filed for truing up of tariff of the 2014-19 period and determination of tariff of the 2019-24 period in respect of **Asset-I(a)**:400 kV D/C Allahabad-Kanpur Line alongwith associated bays at both ends including 2X50 MVAR Line Reactor at Kanpur (excluding 2*50 MAVR line reactor at Kanpur Sub-station); **Asset-I(b)**: 1*50 MVAR reactor at kanpur Sub-station shifted from Mandola Sub-station under TALA HEP (Only Reactor); and **Asset-I(c)** 1*50 MVAR reactor at Kanpur Sub-station shifted from Kankroli Sub-station under RAPP 5&6 (Only Reactor) under “Northern Regional System Strengthening Scheme-XXX” in Northern Region. The asset was put into commercial operation on 28.9.2017.

3. The representative of the Petitioner submitted that tariff for the instant assets from COD to 31.3.2019 period was allowed vide order dated 8.4.2019 in Petition No. 125/TT/2018. The capital cost allowed as on COD in order dated 8.4.2019 was ₹32376.59 lakh after disallowance of accrued IDC and SBI funding subject to review at



the time of true up. The 2 Nos. 50 MVAR line reactors have been shifted from Kankroli and Mandola Sub-stations which were covered under two different Projects for installation at Kanpur end of Kanpur-Allahabad Transmission Line. The Kankroli reactor was originally covered in Petition No. 557/TT/2014 under Transmission System associated with RAPP 5&6 in Northern Region and Mandola reactor was originally covered in Petition No. 38/TT/2015 under Tala HEP. The reactors at Kankroli and Mandola Sub-stations have been de-capitalized on 27.9.2017 and shifted and executed as line reactors at Kanpur Sub-station on 28.9.2017. This was done as Allahabad-Kanpur line was to be put into commercial operation from 28.9.2017. The cost of 2 nos. of 50 MVAR line reactors is not included in the Auditor's certificate of the instant asset. The Auditor's certificate only includes the cost of dismantling and re-allocation cost of ₹43.73 lakh and the same is considered in accordance with the directions of the Commission in order dated 8.4.2019 in Petition No. 125/TT/2018. Accordingly, the Petitioner has capitalized the gross block value of these 2 nos. 50 MVAR Bus Reactors on 28.9.2017 in the instant petition. The life of the new asset and shifted asset is different, hence separate tariff is claimed for these 2 nos. 50 MVAR line reactors after reckoning the depreciation as on 27.9.2017. True up petition for RAPP 5&6 and Tala HEP have been filed after de-capitalizing the gross block value of respective 50 MVAR reactors. The representative of the Petitioner stated that the information sought through Technical Validation letter has been submitted. The Petitioner sought time to file rejoinder to the reply filed by BRPL.

4. On a specific query of the Commission on the rationale behind difference of only one day between de-commissioning and re-commissioning dates of the reactors as 27.9.2017 and 28.9.2017 respectively, the representative of the Petitioner submitted that this was done as the commissioning/execution date of Allahabad-Kanpur line is 28.9.2017 and the reactors have been used with this line.

5. The learned counsel for BRPL submitted that de-commissioning of the reactors on 27.9.2017 and their re-commissioning on 28.9.2017 is not feasible in a span of one day as the process includes dismantling, transportation and erection which consumes considerable time. He submitted that the Petitioner may be asked to provide the chronological order of the dates of de-commissioning and re-commissioning of the reactors in question. Besides this, he submitted that the other issues raised by him in his reply filed on 23.7.2020 such as accrued IDC, additional capitalization, optical ground wire etc. may be considered at the time of allowing the tariff of the subject assets.

6. The Commission directed the Petitioner to submit rejoinder to the reply of BRPL by 14.8.2020 with advance copy to the Respondents and submit the following information, on affidavit, by 14.8.2020 with copy to the Respondents:-

- i. Petition No. in which de-capitalization of instant Asset- 1(b) has been covered for true up of tariff for 2014-19 period and determination of tariff of 2019-24 period.



- ii. Cumulative depreciation up to the date of decapitalization for Asset- 1(c) in Petition No: 80/TT/2020 is ₹234.76 lakh whereas cumulative repayment of normative loan up to COD in the instant petition is ₹203.72 lakh. This may be reconciled/justified.
 - iii. With regard to the claim of additional capitalization, details of unexecuted/balance works carried out during 2018-19 period of the value of ₹4.69 lakh that include the undischarged spares of ₹6.62 lakh as per Form-7 of the instant Asset- 1(a).
7. The Commission further directed the Petitioner to submit the above information within specified time and observed that no extension of time shall be granted.
 8. Subject to the above, the Commission reserved the order in the matter.

By order of the Commission

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

