

CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi

Petition No. 13/TT/2020

Subject: Truing up of tariff of 2014-19 period and determination of transmission tariff of 2019-24 period for transmission system associated with Salal Project Stage-I 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 Ltd. (PGCIL)

Respondents: RRVPNL and 16 others

Parties Present: Shri R.B. Sharma, Advocate, BRPL
Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri Vipin Joseph, 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 tariff of the 2014-19 period and determination of tariff of 2019-24 period of the transmission system associated with Salal Project Stage-I in the Northern Region. The representative of the Petitioner submitted that the instant assets were put into commercial operation in the year 1986. The tariff for 2014-19 period for the instant assets was approved vide order dated 23.2.2016 in Petition No. 25/TT/2015. The capital cost as on 1.4.2014 allowed vide order dated 23.2.2016 in Petition No. 25/TT/2015 was ₹3270.83 lakh and the same capital cost as on 1.4.2014 is being claimed in the instant petition. The Additional Capital Expenditure (ACE) for the 2014-19 period allowed vide order dated 23.2.2016 in Petition No. 25/TT/2015 was ₹87.75 lakh and de-cap allowed was ₹17.00 lakh, i.e. net ACE of ₹70.75 lakh. He submitted that in the instant petition, actual net ACE of ₹82.89 lakh, comprising of ₹105.45 lakh as ACE and de-cap of ₹22.56 lakh, during 2014-19 period is claimed. ACE is claimed under Regulation 14(3)(vii) and 14(3)(ix) of the 2014 Tariff Regulations. The representative of the Petitioner submitted that Net ACE of ₹126.42 lakh during 2019-24 period is claimed vide affidavit dated 5.6.2020, which was not included in the original petition and requested to consider the same as part of the original petition. He submitted that the ACE is towards replacement of the equipment such as circuit breakers, isolators, CVTs, CTs, control and replay panels, and power and control cables, which will enhance the life of the project by 5 years. He submitted that the Commission vide order dated 23.2.2016 in Petition No. 25/TT/2015 allowed capital cost



of ₹3353.72 lakh as on 31.3.2019. The capital cost of ₹3480.15 lakh as on 31.3.2024 is claimed which includes ACE of ₹126.42 lakh during the 2019-24 period. He further submitted that the rejoinder to MPPMCL's reply has been filed and requested for two weeks' time to file rejoinder to BRPL's reply.

3. Learned counsel for BSES Rajdhani Power Ltd. (BRPL) submitted that the net ACE allowed during the 2014-19 period vide order dated 29.7.2016 in Petition No. 90/TT/2016 was ₹87.75 lakh, whereas the Petitioner has claimed net ACE of ₹105.45 lakh in the true-up petition. The Petitioner has not submitted the reasons for higher claim of ACE in the instant true up petition. The Petitioner has not submitted the details of the Optical Ground Wire (OPGW) used as earth wire in the case of the instant assets. The Petitioner has claimed effective tax rate based on the consolidated income of the company, whereas the income from other business activities of the Petitioner like consulting, communication, planning and design of projects etc. are required to be excluded from the computation of effective rate. The deferred tax liability relevant to the aforesaid other business should not be considered in the computation of effective tax rate. The Petitioner has submitted effective tax rate as 0.00 for the 2014-19 tariff period in Form No. 3 of the instant petition. However, the Petitioner has considered effective tax percentage for grossing-up the base rate of return on equity.

4. The Commission directed the petitioner to submit the rejoinder, if any, to the reply of BRPL and the following information on affidavit with advance copy to the respondents/beneficiaries by 13.7.2020:

- a. As the petitioner has claimed ACE of ₹126.42 lakh during the 2019-24 period for replacement of circuit breakers, isolators, CVTs, CTs, control and replay panels, and power and control cables which adds 5 years to the life of the project, the consent of the beneficiaries or the long term customers, as the case may be, if obtained for such ACE may be submitted alongwith RPC approval, if any.
- b. Management Certificate for the 2019-24 period.
- c. Confirm that no previously undischarged liability is pending.

5. The Commission further directed the Petitioner to submit the above information within the specified time and observed that no extension of time shall be granted.

6. Subject to above, the Commission reserved order in the matter.

By order of the Commission

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

