

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 170/TT/2020

Subject: Truing up of tariff of the 2014-19 period and determination of tariff of the 2019-24 period for Combined Asset-I consisting of **Asset A:** LILO of one circuit of 400 kV D/C Kankroli-Zerda Line at Bhinmal along with 80 MVAR Bus Reactor at Bhinmal; **Asset B:** 315 MVA 400/220 kV ICT-I at Bhinmal along with associated bays ; **Asset C:** 315 MVA 400/220 kV ICT-II at Bhinmal along with associated bays ; **Asset D:** 315 MVA 400/220 kV ICT-III at Hissar along with associated bays at Hissar ; **Asset E:** Two Nos. 220 kV Bays at Hissar Sub-Station covered under “Northern Region System Strengthening Scheme-VIII” in the 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: BRPL and 17 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
Shri B. Dash, 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 the 2019-24 period for transmission assets under “Northern Region System Strengthening Scheme-VIII” in Northern Region. The instant petition covers five assets which were put into commercial operation during the 2009-14 tariff period. The Commission vide order dated 15.3.2016 in Petition No. 14/TT/2015 had trued up the tariff of the 2009-14 period and approved the tariff of the 2014-19 period for the instant assets. The representative of the Petitioner submitted that the approved cost as per FR is ₹22069.00 lakh and the actual cost as on 31.3.2019 is ₹17573.23 lakh. The ACE approved earlier for the 2014-19 period vide order dated 15.3.2016 is proposed to be incurred in the 2019-24 period due to delay in closure of contract from the contractor’s side. The ACE incurred after



the cut-off date is on account of balance and retention payments due to undischarged liability for works executed within cut-off date. He submitted that the information sought by the Commission and rejoinder to the reply filed by BRPL has been filed vide affidavits dated 12.3.2020 and 20.3.2020 respectively.

3. Learned counsel for BSES Rajdhani Power Ltd. (BRPL) submitted that the Petitioner has not stated whether Optical Ground Wire (OPGW) is used as earth wire in 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 shall also 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 legible copies of Form-2 (O&M Expenses) for the 2014-19 period and the 2019-24 period along with the computation sheet on affidavit with an advance copy to the respondents/beneficiaries by 26.6.2020.

5. The Commission also 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 the above, the Commission reserved its order in the matter.

By order of the Commission

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

