

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 23/TT/2020**

**Subject** : Petition for truing up of tariff of the 2014-19 tariff period and determination of tariff of the 2019-24 tariff period in respect of Combined Asset consisting of Asset-1: 315 MVA 400/220 kV Spare Inter-Connecting Transformer at 400/220 kV Hisar Sub-station, Asset-2: 315 MVA 400/220 kV Spare Inter-Connecting Transformer at 400/220 kV Lucknow Sub-station; and Asset-3: 315 MVA, 400/220 kV ICT at Bhiwadi in Northern Region under Provision of spare ICTs and reactors in Eastern, Northern, Southern and Western Regions.

**Date of Hearing** : 31.7.2020

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

**Petitioner** : Power Grid Corporation of India Limited

**Respondents** : Rajasthan Rajya Vidyut Prasaran Nigam Limited

**Parties present** : Shri S.S Raju, PGCIL  
Shri A.K. Verma, PGCIL  
Shri B. Dash, PGCIL  
Shri V. Rastogi, PGCIL  
Shri R.B. Sharma, Advocate, BRPL  
Shri Mr. Mohit Mudgal, Advocate, BYPL

**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 the tariff of the 2014-19 tariff period and determination of tariff of the 2019-24 tariff period in respect of the following assets:-

a. Asset-1: 315 MVA 400/220 kV Spare Inter-Connecting Transformer at 400/220 kV Hisar Sub-station

b. Asset-2: 315 MVA 400/220 kV Spare Inter-Connecting Transformer at 400/220 kV Lucknow Sub-station.

c. Asset-3: 315 MVA, 400/220 kV Spare Inter-Connecting Transformer at 400/220 kV at Bhiwadi Sub-station.



3. The representative of the Petitioner submitted that the instant assets were put into commercial operation during the 2009-14 tariff period. The truing up of the tariff allowed for the 2009-14 period and tariff for the 2014-19 tariff period was allowed for Asset-1 and Asset-2 vide order dated 19.2.2016 in Petition No.200/TT/2015 and in case of Asset-3, it was allowed vide order dated 26.10.2016 in Petition No.124/TT/2016. He submitted that no additional capital expenditure has been claimed during the 2019-24 period. He submitted that UPPCL and BRPL have submitted reply to the petition and the Petitioner has submitted its rejoinder to the reply of UPPCL. He sought two weeks' time to file its rejoinder to the reply of BRPL.

4. Learned counsel for BRPL submitted that as per Regulation 7(1) of the 2009 Tariff Regulations and Regulation 9(6)(a) of the 2014 Tariff Regulations, the assets even though part of a project but not in use shall be taken out of the capital cost. Accordingly, the cost of the instant spare transformers, which are not in use cannot be capitalized and therefore tariff may not be granted for the instant assets. Referring to the APTEL's judgment dated 25.4.2016 in Appeal No. 98 of 2015, he submitted that in the absence of specific provisions in the tariff regulations, capitalization of the cost of spare assets cannot be allowed. He submitted that the tariff of the instant assets has increased due to the adoption of the Indian Accounting Standards by the Petitioner. He further requested that the Petitioner may be directed to submit the 'Tax Audit Report' and the Profit & Loss Account along with other statutory information.

5. Learned counsel for BYPL submitted that BYPL adopts the submissions made by the learned counsel for BRPL. In response to a query of the Commission, he submitted that no reply has been filed by BYPL in the matter.

6. The Commission directed the Petitioner to file the following information on affidavit with advance copy to the Respondents by 20.8.2020:-

- a. Present status of the other assets along with Petition No. covered under this project.
- b. Discharge details of amount of initial spares during tariff period 2014-19, if any.
- c. Form-5, 12 A, Form 13 and Form-15 for 2014-19 tariff period for the instant assets.

7. The Commission further directed the Petitioner to submit its rejoinder to the reply filed by BRPL by 20.8.2020 with advance copy to the Respondents.

8. Subject to above, the Commission reserved its order in the matter.

**By order of the Commission**

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

