

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 313/TT/2019

Subject : Petition for truing up of the transmission tariff of the 2014-19 tariff period and determination of transmission tariff of the 2019-24 tariff period in respect of Additional Converter Transformer (Spare) for Rihand-Dadri Bi-pole in Northern Region.

Date of Hearing : 31.7.2020

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

Petitioner : Power Grid Corporation of India Limited

Respondents : Bihar State Power (Holding) Company Ltd & Ors.

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

Record of Proceedings

The matter was heard through video conference.

2. The representative of the Petitioner submitted that the instant petition is 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 Additional Converter Transformer (Spare) for Rihand-Dadri Bi-pole in Northern Region.

3. The representative of the Petitioner submitted that the tariff for the instant asset has been approved by the Commission vide order dated 18.4.2016 in Petition No 180/TT/2014 for the 2014-19 tariff period. He also submitted that the Petitioner, in the instant petition, has considered the debt:equity ratio as 0:100. Further, as no additional capitalization has been claimed, debt: equity ratio proposed remains the same for the 2019-24 tariff period. Accordingly, interest on loan is not claimed for the tariff period 2014-19 as the project is entirely equity funded. He stated that the Petitioner has also not claimed any O&M Expenses as the instant asset is a spare transformer. He submitted that UPPCL and BRPL have submitted reply to the petition and PGCIL has also submitted its rejoinder to the reply of UPPCL and 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 which are a part of the project but not in use shall be taken out of the capital cost. He submitted that APTEL in judgment dated 25.4.2016 in Appeal No. 98 of 2015 held that in the absence of specific provision in the tariff regulations, cost of the spare cannot be included in the capital base. Learned counsel for BRPL submitted that the Petitioner by adoption of Indian Accounting Standards is merely increasing the tariff.
5. Learned counsel for BRPL further submitted that as per Regulation 25(1) of the 2014 Tariff Regulations, the actual income tax on non-transmission business should not be considered for effective tax rate. He further requested to direct the Petitioner to submit the 'Tax Audit Report' and the Profit & Loss Account along with other statutory information.
6. Learned counsel for BYPL submitted that the submissions made by BRPL in the matter are adopted by BYPL.
7. The Commission directed the Petitioner to submit the information as requested by BRPL/BYPL by 24.8.2020.
8. Subject to the above, the Commission reserved its order in the matter.

By order of the Commission

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

