

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 421/TT/2019

Subject : Petition for truing up of the tariff of the 2014-19 period and determination of tariff of the 2019-24 period for 765 kV S/C Kurnool-Raichur transmission line along with associated bay extensions at 765/400 kV Kurnool Sub-station and 765/400 kV Raichur Sub-station under “Southern Region System Strengthening Scheme–XXII ” in Southern Region

Date of Hearing : 10.8.2020

Coram : Shri P.K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member

Petitioner : Power Grid Corporation of India Limited

Respondents : Tamil Nadu Generation and Distribution Corporation Ltd (Formerly Tamil Nadu Electricity Board -TNEB) and 17 Others

Parties present : Shri S. Vallinayagam, Advocate, TANGEDCO
Dr. R. Kathiravan, TANGEDCO
Smt. R. Ramalakshmi, TANGEDCO
Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri B. Dash, 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 the tariff of the 2014-19 period and determination of the tariff of the 2019-24 period in respect of 765 kV S/C Kurnool-Raichur transmission line along with associated bay extensions at 765/400 kV Kurnool Sub-station and 765/400 kV Raichur Sub-station under “Southern Region System Strengthening Scheme–XXII” in Southern Region.



3. The representative of the Petitioner submitted that the tariff for the instant asset was approved by the Commission vide order dated 12.5.2016 in Petition No. 264/TT/2015 for the 2014-19 tariff period. He also submitted that the Commission had allowed additional RoE of 0.5% for completion of the instant asset within the time specified in the 2104 Tariff Regulations and, hence the same is claimed in the instant petition. He further submitted that there is no cost over-run or time over-run with regard to the instant asset and the details of Additional Capital Expenditure (ACE) have been given in Form 7. He also submitted that the Initial spares claimed are within the ceiling specified in the 2014 Tariff Regulations. He also submitted that the information sought in the TV (technical validation) letter has been submitted and the Petitioner has filed rejoinder to the reply of TANGEDCO.

4. Learned counsel for TANGEDCO submitted that the Petitioner has claimed the truing up of the tariff allowed for the 2014-19 tariff period on account of ACE during the 2014-19 tariff period, change in MAT rate and change in floating rate of interest. He highlighted that the Petitioner has submitted only Auditor's certificate claiming ACE and contended that in terms of Regulation 14 of the 2014 Tariff Regulations, the Petitioner is required to furnish details regarding ACE, such as details of assets included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution, etc. He pointed that these particulars are of utmost importance for prudence check. However, in Form-7, the Petitioner has not furnished these details regarding the subject asset as mandated in the 2014 Tariff Regulations. He further submitted that as regards ACE claimed after the cut-off date, Regulation 14(3) of the 2014 Tariff Regulations requires that any claim after cut-off date can be made only after prudence check of the details of such undischarged liability, total estimated cost of package and reasons for withholding of payment and release of such payment. He pointed that these details are vital for prudence check and have been not furnished by the Petitioner. He submitted that the Petitioner has made it a practice to quote figures without explaining the same in terms of the Regulations and that the Petitioner should explain the same, as the tariff is passed on to the consumers. He further submitted that the details of decapitalization, if any, has not been submitted and requested to direct the Petitioner to furnish all the information regarding the assets that have been de-capitalized during the said period.

5. In response, the representative of the Petitioner submitted that the details of ACE are given in Form 7 submitted along with the instant petition.

6. After hearing the parties, the Commission directed the Petitioner to submit a table of undischarged liabilities linking the same to the relevant asset. The Commission further issued a general direction to the Petitioner to submit the same in case of all the other tariff petitions filed by the Petitioner, whenever the issue of undischarged liability and ACE arises on affidavit on its own, if such details are not provided in the petitions already filed.



