

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 76/TT/2020

Subject : Petition for truing up of transmission tariff of 2014-19 period and determination of tariff of 2019-24 period in respect of 6 assets under “Provision of Spare ICTs and Reactors for Eastern, Northern, Southern and Western Regions”

Date of Hearing : 22.5.2020

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

Petitioner : Power Grid Corporation of India Limited

Respondents : Bihar State Power (Holding) Company Ltd. & 5 Others

Parties present : Ms. Rohini Prasad, Advocate, BSPHCL
Shri S.S. Raju, PGCIL
Shri A.K. Verma, 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 transmission tariff of 2014-19 period and determination of transmission tariff of 2019-24 period in respect of Asset-A(1): 1 No. 315 MVA, 400/220/33 kV, 3-Phase Transformer at Biharshariff Sub-station and 1 No. 315 MVA, 400/220/33 kV, 3-Phase Transformer at Jamshedpur Sub-station, Asset-A(2): 1 No. 80 MVAR, 420 kV, 3-Phase Reactor at Rourkela Sub-station, Asset-A(3): 1 No. 315 MVA, 400/220 kV, 3-Phase ICT at Durgapur Sub-station, Asset-A(4): 1 No. 160 MVA, 220/132 kV, 3-Phase ICT at Siliguri Sub-station, Asset-A(5): 1 No. 315 MVA, 400/220 kV, 3-Phase ICT at Rourkela Sub-station, Asset-B: 1 No. 50 MVA, 132/66 kV, 3-Phase ICT at Gangtok Sub-station under “Provision of Spare ICTs and Reactors for Eastern, Northern, Southern and Western Regions”. He submitted that Assets-A(1), A(2), A(3), A(4) and A(5) were put into commercial operation on 1.9.2012, 1.10.2012, 1.3.2013, 1.6.2013 and 1.4.2013 respectively and tariff for 2009-14 period was allowed vide order dated 10.7.2015 in Petition No.43/TT/2013 and vide order dated 17.10.2017 in Petition No.37/TT/2017, the



tariff allowed from the COD to 31.3.2014 was trued up and tariff for the 2014-19 was determined. Asset-B was put into commercial operation on 20.4.2015, during 2014-19 period, and the tariff was allowed vide order dated 25.4.2016 in Petition No. 215/TT/2015. In the instant petition, the assets considered in order dated 17.10.2017 in Petition 37/TT/2017 which achieved COD in 2009-14 tariff period have been combined and named as Asset-A and the asset put into commercial operation in 2014-19 tariff period has been named as Asset-B. He submitted that the add-cap during 2014-19 period with asset-wise and party-wise details has been given in the petition. The estimated completion cost is within the RCE and there is no cost over-run in case of instant assets. The Additional Capital Expenditure beyond cut-off date is on account of balance and retention payment, details of which have been provided in the petition. He submitted that the information sought in the Technical Validation letter dated 18.2.2002 was filed vide affidavit dated 25.2.2020 and the information sought in the RoP dated 28.2.2020 was submitted vide affidavit dated 13.3.2020.

3. The learned counsel for BSPHCL submitted that reply in the matter has been filed vide affidavit dated 9.3.2020 and she reiterated the submissions made in the reply. She submitted that there are certain typographical errors in the petition with regard to date of previous order and approved capital cost of Asset-A (2) as on 31.3.2014. She submitted that the Petitioner has not submitted the details of insurance realized as directed in para 18 of the order dated 25.4.2016 in Petition No. 215/TT/2015. As required under Regulation 25 (3) of the 2014 Tariff Regulations, the instant petition is silent on whether the tax and interest paid by the Petitioner is after adjustment and exclusive of the impermissible claims. The assets covered in Asset-A were put into commercial operation during 2012-13 and 2013-14. Hence, the prayer of the Petitioner for recovery of Deferred Tax Liability is infructuous. The Additional Capital Expenditure towards Asset-A and Asset-B incurred after cut-off date do not pertain to Force Majeure and Change in Law and therefore such expenses do not qualify under uncontrollable factors. She submitted that the Petitioner has claimed Additional Capitalization of ₹45.94 lakh for Asset-A for 2016-17 out of which ₹37.15 lakh has been mentioned to be towards Balance and Retention Payment to CGL. However, the Petitioner has not provided any details for the remaining amount of ₹8.79 lakh and the Regulation under which it has been claimed. The Petitioner has not provided details of the estimated completion cost for the Spare ICT at Purnea used for calculation of Initial Spares. The Additional Capital Expenditure after cut-off date should not be considered under original project cost for calculation of allowable initial spares as per Regulations 8, 3(29) of the 2009 Tariff Regulations. She submitted that Regulation 56 of the 2019 Tariff Regulations contemplates recovery of statutory charges by generating company and not by transmission licensee, therefore such claim of the Petitioner is liable to be rejected. In order dated 17.10.2017 in Petition No. 37/TT/2017 and order dated 25.4.2016 in Petition No. 215/TT/2015, O&M Expenses were not allowed and therefore she submitted that no O&M Expense be allowed to the Petitioner in the instant petition.



4. The representative of the Petitioner submitted that the rejoinder to the reply of BSPHCL could not be filed on account of lock down due to outbreak of Covid 19 pandemic and requested the Commission to grant some time to file the rejoinder. The Commission directed to submit the rejoinder to the reply filed by BSPHCL by 5.6.2020.

5. The Commission also directed the Petitioner to submit the following information, on affidavit, by 6.6.2020 with an advance copy to the Respondents: -

- (i) It has been stated in the affidavit dated 13.3.2020 that add-cap in case of Asset-A(5) during 2014-19 period was ₹288.64 lakh whereas in the Auditor's Certificate dated 31.7.2019 the total Additional Capitalisation during 2014-19 tariff period has been mentioned to be ₹297.43 lakh. Provide details of the Additional Capitalisation for 2016-17 period amounting to ₹8.79 lakh and the Regulation under which same has been claimed;
- (ii) The Petitioner in its reply dated 25.2.2020 has submitted that the Assets-A(1) to A(5) achieved COD during 2009-14 Tariff Period whereas the Asset-B achieved COD in 2014-19 Tariff Period. Accordingly for Asset-A(1) to A(5) the initial spares should be calculated as a percentage of original project cost i.e. capital expenditure incurred within the original scope of the project up to the cut-off date as admitted by the Commission as per the 2009 Tariff Regulations. For Asset-B, the initial spares should be calculated as a percentage of the Plant and Machinery cost up to cut-off date as per the 2014 Tariff Regulations. In the instant Petition, the Initial Spares has been calculated at estimated competition cost for all the assets. In view of the same, the Petitioner is directed to submit the following:
 - a. Separate detailed calculation of initial spares for Asset-A as per the 2009 Tariff Regulations and Asset-B as per the 2014 Tariff Regulations. Details must include original capital cost as on COD, disallowed IDC, IEDC, Initial Spares, Additional Capitalisation, Capital Cost as on cut-off date and Initial Spares claimed as per APTEL judgement dated 14.9.2019.;
 - b. Revised Forms due to change in calculation of Initial Spares;
 - c. Supporting documents towards claimed estimated completion cost of each asset including Spare ICT at Purnea;
- (iii) It has been observed that the Petitioner in its Petition as well as in the Auditor's Certificate has claimed the capital cost for Asset-A(2) as on 31.3.2014 to be ₹439.01 lakh. In para 24 of the order dated 17.10.2017 in Petition No. 37/TT/2017, the capital cost for Asset-A(2) as on 31.3.2014 has been approved to be ₹438.94 lakh. Submit justification for the discrepancy and also submit related revised Forms;
- (iv) LD charges and insurance recovered up to scheduled COD of 1.1.2013 and from 1.1.2013 to actual COD of 20.4.2015 for Asset-B;



- (v) The Petitioner has prayed for revision in Initial Spares for Asset-A(1) to A(5). Submit Form 13 for Asset-A(1) to A(5). Also submit Form-4 and 5;
 - (vi) The Petitioner has claimed the Initial Spares for the Asset-C i.e.1 no. 160 MVA, 220/132 kV, 3-ph Transformer at Baripada (shifted to Purnea) which is not a part of instant petition. Submit Form 4(A),7,13, Auditor's Certificate, Statement for IDC discharged on cash basis for the same;
 - (vii) For Asset-B, submit Form-5, 12(A), 12(B), 14 and 15.
6. The Commission further directed the Petitioner to submit the above within the specified time and observed that no extension of time shall be granted.
7. Subject to the above, the Commission reserved order in the matter.

By order of the Commission

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

