

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 83/TT/2020

- Subject** : Truing up of transmission tariff of 2014-19 period and determination of tariff of 2019-24 period for transmission assets under “Sub-station works associated with Hyderabad (Maheshwaram) Pooling Station” in the 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 Ltd. (PGCIL)
- Respondents** : TANGEDCO and 19 others
- Parties Present** : Shri S. Vallinayagam, Advocate, TANGEDCO
Shri S.S. Raju, PGCIL
Shri B. Dash, PGCIL

Record of Proceedings

The matter was heard through video conference.

2. The representative of the Petitioner submitted that the Commission vide order dated 5.7.2018 in Petition No. 157/TT/2017 while approving tariff of the subject assets for 2014-19 period considered the issue of additional RoE. However, the Petitioner could not provide cost break-up of ICTs and bus reactors at Maheshwaram and LILO of Hyderabad-Kurnool 400 kV D/C line at the time of tariff determination of the instant asset in the aforesaid Petition. As the line length of LILO of Hyderabad-Kurnool 400 kV D/C line was less than 50 km, the Commission observed that additional RoE was not admissible to it. The Commission, however, directed the Petitioner to furnish the cost break-up of ICTs and bus reactors at Maheshwaram and LILO of Hyderabad-Kurnool D/C line for its claim towards additional RoE at the time of truing up. The Petitioner has submitted that as per the direction of the Commission, the assets in the present petition have been split and additional RoE has been claimed in respect of Asset I(A)(a) and Asset I(B)(a). The SRPC certificate in compliance of Regulation 24(2)(iii) of the 2014 Tariff Regulations in support of additional RoE has been submitted.

3. The Petitioner has submitted that initial spares has been re-determined considering the Project as a whole as per APTEL judgement dated 14.9.2019 in Appeal No. 74 of 2017 and excess initial spares has been deducted from the opening capital cost. The assets have been combined for the 2019-24 tariff period and Additional Capital Expenditure (ACE) is claimed during 2019-20 for the Combined Asset. The cut-off date of the subject assets is 31.3.2020 and the entire ACE claimed is within the cut-off date. Reply to the TV (technical validation) letter



has been submitted vide affidavit dated 12.3.2020 and the rejoinder to the reply of TANGEDCO has been filed vide affidavit dated 20.7.2020.

4. The learned counsel for TANGEDCO submitted that in the instant petition the assets, namely, (i) 800 kV GIS bus auxiliary bus bar module for spare transformer, (ii) 800 kV GIS auxiliary bus bar module for spare line and bus reactor, and (iii) 400 kV SF6 GIS auxiliary bus bar module for spare transformer have not been put to beneficial use and as such their tariff cannot be allowed as per Regulation 9(6) of the 2014 Tariff Regulations. Learned counsel in support of his contentions placed reliance on Commission's order dated 22.8.2016 in Petition No. 416/TT/2014, APTEL's judgments dated 18.1.2018 in Appeal No. 198 of 2015 and Appeal No. 6 of 2016 and dated 2.7.2012 in Appeal No. 123 of 2011.

5. Learned counsel for TANGEDCO further added that the initial spares should be capitalised as a percentage of the plant and machinery cost as per the 2014 Tariff Regulations, which excludes IDC, IEDC, land cost and cost of civil works from the capital cost. He contended that the Petitioner has not submitted the relevant information in respect of initial spares in the instant petition.

6. In response, the representative of the Petitioner submitted that that IDC, IEDC, land cost and cost of civil works have been excluded while considering the plant and machinery cost as per the 2014 Tariff Regulations and details of the same are given in the Auditor's Certificates dated 30.7.2019.

7. In response to the query of Commission regarding the assets not being in use, the representative of the Petitioner submitted that in GIS Module, due to technical reasons, it is required to be installed and tested in one go and is thus different from AIS. The representative of the Petitioner further submitted that the Petitioner has clarified this aspect in detail in their rejoinder to the reply of TANGEDCO.

8. Learned counsel for TANGEDCO sought one week's time to submit a short reply in response to rejoinder of the Petitioner on the aspect of GIS Module and AIS.

9. The Commission directed TANGEDCO to file its reply on an affidavit by 3.9.2020 with a copy to the Petitioner who may file its rejoinder by 12.9.2020.

10. Subject to above, the Commission reserved order in the matter.

By order of the Commission

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

