

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 39/TT/2015

- Subject : Petition for truing up of charges of 2009-14 period and determination of fees and charges for the period 2014-19 of Unified Load Despatch & Communication Scheme (POWERGRID) portion i.e. Communication system portion and SLDC system retained by the petitioner after formation of POSOCO in Eastern Region period under sub-section (4) of Section 28 of Electricity Act 2003
- Date of Hearing : 4.10.2016
- Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M. K. Iyer, Member
- Petitioner : Powergrid Corporation of India Limited.
- Respondents : National Thermal Power Corporation Limited and 10 others
- Parties present : Shri S.K. Venkatesan, PGCIL
Shri M. M. Mondal, PGCIL
Shri Rakesh Prasad, PGCIL
Shri S.S. Raju, PGCIL

Record of Proceedings

Learned counsel for the petitioner made the following submissions:-

- a. The instant petition has been filed for truing up and determination of fees and charges of 2009-14 and 2014-19 tariff block respectively of Unified Load Despatch & Communication Scheme (POWERGRID) portion i.e. communication system portion and SLDC system retained by the petitioner after formation of POSOCO in Eastern Region;
- b. The fee and charges for the period 2009-14 were approved vide order dated 31.12.2013 in Petition No. 56/TT/2012. The recovery of loan and equity was



allowed based on the weighted average rate of interest & Return on Equity using the monthly Capital Recovery Factor concept;

- c. The existing digital microwave with optic fibre was completely replaced on 30.6.2012 as per the directions of Ministry of Communications & Information Technology. The Commission had considered the accelerated depreciation for the microwave links and capital was recovered completely up to 30.6.2012;
 - d. In order dated 31.12.2013 in Petition No. 56/TT/2012, Weighted Average Rate of Interest is allowed on the basis of the prevailing rates as on 1.4.2009 i.e, at the rate of 4.2503%. However, the Weighted Average rate of Interest for truing up should be based on the floating rate of interests for approving claims for “Microwave” as well as “Non-Microwave”; and
 - e. For truing up, in case of “Non-Microwave”, actual O&M Expenditure should be considered.
2. None appeared on behalf of the respondents.
 3. The Commission directed the petitioner to file the following information, on affidavit by 25.10.2016 with an advance copy to the respondents:-
 - a) The philosophy behind the apportionment of salary & wages into Transmission Schemes and ULDC Schemes.
 - b) In the text portion it is stated that there is no additional capital expenditure in 2009-14 block and truing up on account of additional capital expenditure is not required for 2009-14 period, however, the calculations, submitted indicate some additional capital expenditure. Clarify whether any additional capital expenditure is incurred, and if so, furnish the details.
 - c) Detailed calculations of Weighted Average Rate of Interest for 2009-14 and 2014-19 period alongwith documents in support of floating rate of interest of loan, in case of 2009-14 period. Give reasons for submitting separate weighted average rate of interest during 2012-13 for Microwave portion.
 - d) The details of Fibre Leasing Charges and also explain the reasons for claiming lease charges only for 2012-13 and why the same has not been claimed for 2009-10, 2010-11 and 2013-14.
 - e) The details of claims for FERV amortization and basis for the said claim under O&M expenditure.



- f) Break-up of miscellaneous expenses for entertainment and professional expenses.
- g) Details of claim for 'Self Insurance reserve' @ 0.1 % of Gross Block in actual O&M.

4. The Commission directed the respondents to file their replies by 4.11.2016 with an advance copy to the petitioner who shall file its rejoinder, if any, by 11.11.2016, failing which the matter would be decided on the basis of the information already available on record.

5. Subject to the above, order in the petition was reserved

By order of the Commission

Sd/-
(T. Rout)
Chief (Law)

