

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 40/RP/2018 in Petition No. 175/TT/2017**

**Subject** : Petition for review of order dated 29.6.2018 in Petition No. 175/TT/2017.

**Date of Hearing** : 2.5.2019

**Coram** : Shri P.K. Pujari, Chairperson  
Dr. M.K. Iyer, Member

**Review Petitioner** : Delhi Transco Limited (DTL)

**Respondents** : Power Grid Corporation of India Limited (PGCIL)

**Parties present** : Ms. Swapna Seshadri, Advocate, DTL  
Ms. Ritu Aporva, Advocate, DTL  
Shri Ashwin Ramanarthan, Advocate, DTL  
Shri R.B Sharma, Advocate, BRPL  
Shri Mohit Mudgal, Advocate, BYPL  
Shri Anish Garg, DTL  
Shri Sumit Gupta, DTL  
Shri Ajay Kumar Sharma, DTL,  
Shri Mohit Sharma, DTL  
Shri Shekar Sharma, BYPL  
Shri Sanjay Srivastav, BRPL

**Record of Proceedings**

Learned counsel for the Review Petitioner submitted that the instant review petition is filed for review of the order dated 29.6.2018 in Petition No.175/TT/2017 wherein the Commission had determined the tariff of two inter-State transmission lines i.e. Asset-1: 400 kV D/C Mandaula Bawana and Asset-2: 400 kV D/C Bamnauli-Ballahgarh for the tariff period 2014-19. She submitted that the Commission in the impugned order observed that the Review Petitioner did not submit the audited capital cost certificate in case of the instant assets and accordingly determined the tariff as per the methodology evolved by it in orders dated 19.12.2017 in Petition Nos. 88/TT/2017, 173/TT/2016 and 168/TT/2016. She further submitted that earlier in Petition No. 218/TT/2013, the Commission vide its order dated 21.3.2016 had considered and allowed audited acquisition cost of the assets covered in the present petition whereas in the impugned order the Commission has erroneously not considered the audited acquisition cost certificate of the subject assets submitted by the Review Petitioner and



adopted the methodology evolved by it. She submitted that the capital cost of the subject assets was ₹37.3 crore and ₹59.04 crore respectively. However, by adopting the methodology evolved by the Commission, the same was reduced to ₹19 crore. She submitted that the Commission reduced the weighted average rate of interest on loan which is in contravention of Regulation 26 of 2014 Tariff Regulations. The Commission also disallowed the Income Tax by grossing up Return on Equity which is again contrary to the Regulation 25 of 2014 Tariff Regulations.

2. Leaned counsel for BRP and BYPL submitted that the acquisition cost of the assets cannot be compared with the book value of the assets during its useful life as the acquisition cost is always higher than its book value, which is the capital cost after deduction of the cumulative depreciation. He further submitted that the audited acquisition cost and the capital cost are not one and the same. As regards the Review Petitioner's contention regarding reduction in weighted average rate of interest on loan, the Review Petitioner has just compared the weighted average rate claimed and allowed and has not pointed out the error in it. As regard Income Tax, he submitted that the Commission has adopted the normative tariff methodology in the present case as the audited capital cost was not available.

3. The Commission acceded to the request of learned counsel for the Review Petitioner to file written submissions and permitted the Review Petitioner to file the same by 15.5.2019.

4. Subject to the above, the Commission reserved order in the present Review Petition.

**By order of the Commission**

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

