

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 117/TT/2020

Subject : Petition for truing up of transmission tariff of the 2014-19 period and determination of transmission tariff of the 2019-24 period for seven assets under “System Strengthening-VIII” 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
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 instant petition is filed for truing up of tariff of the 2014-19 period and determination of tariff of the 2019-24 period in respect of the following assets under “System Strengthening-VIII” in Southern Region:

Asset 1: 63 MVAR Line Reactors at Madurai and Trichy Sub-stations along with associated bays;

Asset 2: 63 MVAR Bus Reactors at Hosur and Salem Sub-stations along with associated bays;

Asset 3: 63 MVAR Bus Reactor at Sriperumbudur Sub-station along with associated bays;

Asset 4: 63 MVAR Bus Reactors at Kolar, Hyderabad and Munirabad Sub-stations along with associated bays;

Asset 5: 63 MVAR Bus Reactors at Hiriyr Sub-station along with associated bays;



Asset 6: 63 MVAR Reactor at Udumalpet Sub-station along with associated bays; and

Asset 7: 63 MVAR Reactor at Trivandrum Sub-station along with associated bays.

3. The representative of the Petitioner submitted that the instant assets were put into commercial operation during the 2009-14 period and there was no time over-run and cost over-run in execution of the subject assets. The cut-off date for the instant assets was 31.3.2013. The tariff for the 2014-19 tariff period was approved vide order dated 28.4.2016 in Petition No. 533/TT/2014. He submitted that the initial spares are claimed as per the judgment of the Appellate Tribunal for Electricity dated 14.9.2019 in Appeal No. 74 of 2017. He submitted that reply to Technical Validation letter has been filed vide affidavit 12.3.2020 along with liability flow statement.

4. The learned counsel for TANGEDCO, Respondent No.4, submitted that a Written Note has been circulated and requested to take it on record. Referring to the Written Note, he submitted that the Petitioner vide Form 7 has mentioned that the additional capital expenditure (ACE) is due to balance and retention payment but has not furnished any reason or justification for deferring the work and retaining the payment beyond cut-off date except for the Auditor's Certificate. He submitted that the Petitioner has claimed Initial Spares after combining all elements to get benefit as per the APTEL judgment. He relied upon the order of the Commission dated 7.9.2016 in Petition No.35/RP/2016 wherein the Commission allowed initial spares on the basis of the apportioned cost of the individual assets based on judgement of the APTEL dated 28.11.2013 in Appeal No. 165 of 2012. He submitted that the judgment in Appeal No. 74 of 2017 relating to calculation of Initial Spares is on the project cost as per the 2009 Tariff Regulations. He submitted that the Petitioner has not provided inventory details of retained, used and leftover Initial Spares in the true up petition for claiming spares under O&M expenses. He submitted that the judgment in Appeal No. 74 of 2017 cannot be made applicable to the instant matter as the method of calculation of initial spares is different in the 2009, 2014 and 2019 Tariff Regulations. He requested the Commission to restrict the initial spares considering the normative ceiling of individual elements.

5. In response, the representative of the Petitioner submitted that the Auditor Certificates mention the Initial Spares procured along with equipment and that no O&M expenses have been claimed in this petition. He further submitted that all details regarding liability as on 31.3.2014 has been given in the liability flow statement. He submitted that the initial spares have been claimed as per the judgment of the APTEL in Appeal No. 74 of 2017 considering the overall project cost. He requested 2 weeks' time to file rejoinder to the Written Note of TANGEDCO.

6. In response to a query of the Commission, the representative of the Petitioner submitted that all the instant assets are part of one project and was approved under one Investment Approval but they are located in different places. In response to another query regarding difference in the initial spares claimed for same type of reactors, the representative of the Petitioner submitted that the requirement of Initial Spares varies from location to location and actual lay out of the bays.



7. The Commission observed that Written Note circulated by TANGEDCO would be considered as TANGEDCO's reply and directed the Petitioner to file its rejoinder by 4.9.2020 with an advance copy to the Respondents. The Commission directed the Petitioner to file its rejoinder within the specified time and observed that no extension of time shall be granted. The Commission further observed that if no rejoinder is received by 4.9.2020, the matter will be decided on the basis of the information on record.

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

By order of the Commission

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

