

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 139/TT/2020

Subject: Truing up of tariff of the 2014-19 period and determination of tariff of the 2019-24 period for transmission system associated with SEWA-II HEP in the Northern Region consisting of **Asset-I:** One circuit of 132 kV D/C SEWA-II Hiranagar line along with associated bays at Hiranagar Sub-station and one circuit of 132 kV D/C SEWA-II Mahanpur line and associated bays at Mahanpur; **Asset-II:** Second circuit of 132 kV D/C SEWA-II Hiranagar line along with associated bays at Hiranagar Sub-station; **Asset-III:** 132 kV S/C SEWA-II Mahanpur-Kathua transmission line along with associated bays at Kathua and 132 kV S/C Mahanpur-Kathua transmission line along with bays at Mahanpur and Kathua.

Date of Hearing: 9.6.2020

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

Petitioner: Power Grid Corporation of India Ltd. (PGCIL)

Respondents: RRVPNL and 16 others

Parties Present: Shri R.B. Sharma, Advocate, BRPL
Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri Vipin Joseph, PGCIL
Shri V.P. Rastogi, PGCIL
Shri B. Dash, 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 tariff of 2014-19 period and determination of tariff of 2019-24 period for transmission system associated with SEWA-II HEP in the Northern Region. The instant petition covers three assets which were put into commercial operation during the 2009-14 period. The cut-off date for the Combined Asset is 31.3.2014. The Commission vide order dated 14.3.2016 in Petition No. 001/TT/2015 had trued up the tariff of 2009-14 period and approved the tariff of 2014-19 period for the instant assets. He submitted that the admitted capital cost as on 31.3.2014 is ₹8582.47 lakh and the same has been considered as the capital cost on 1.4.2014 for the truing up of transmission tariff of 2014-19 period. The Additional Capital Expenditure (ACE) claimed for the 2014-19



period is ₹12.14 lakh against the ACE of ₹31.67 lakh admitted vide order dated 14.3.2016 in Petition No. 001/TT/2015. The same has been claimed on account of balance and retention payments due to undischarged liability for works executed within the cut-off date. The ACE of ₹9.49 lakh claimed for the 2019-24 period is on account of balance and retention payments due to undischarged liability for works executed within the cut-off date. The ACE claimed for the 2014-19 period and the 2019-24 period is for Asset-III and no ACE has been claimed for Asset-I and Asset-II in the instant petition. He submitted that the reply to the Commission's TV letter dated 3.3.2020 has been filed vide affidavit dated 12.3.2020. The rejoinder to the reply filed by BRPL and UPPCL has been filed vide affidavit dated 5.6.2020.

3. Learned counsel for BSES Rajdhani Power Ltd. (BRPL) has submitted that the Petitioner has not informed if Optical Ground Wire (OPGW) is used as earth wire for the instant assets. The Petitioner has submitted effective tax rate as 0.00 for the 2014-19 tariff period in Form-3 of the instant petition. However, the Petitioner has considered effective tax percentage for grossing up the base rate of return on equity. The Petitioner has claimed effective tax rate based on the consolidated income of the company, whereas the income from other business activities of the Petitioner like consulting, communication, planning and design of projects etc. are required to be excluded from the computation of effective tax rate. The deferred tax liability relevant to the aforesaid other business may also not be considered for computation of effective tax rate.

4. The representative of the petitioner sought two weeks' time to respond to the issues raised by BRPL. The Commission directed the Petitioner to submit its response on affidavit with an advance copy to the beneficiaries by 26.6.2020. The Commission also directed the Petitioner to submit the same within the specified time and observed that no extension of time shall be granted.

5. Subject to the above, the Commission reserved its order in the matter.

By order of the Commission

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

