

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 250/TT/2020

Subject : Petition for determination of transmission tariff of 2 no. assets from COD to 31.3.2019, truing up of transmission tariff of the 2014-19 period and determination of transmission tariff of the 2019-24 period for assets under “Eastern Region Strengthening Scheme IX” in Eastern 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 : Bihar State Power (Holding) Company Ltd.
& 5 Others

Parties present : 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 instant petition is filed for truing up of the tariff of the 2014-19 tariff period and determination of tariff of the 2019-24 tariff period of the following assets under the “Eastern Region Strengthening Scheme IX” in Eastern Region:

Asset I: Addition of 1X160 MVA, 220/132 kV ICT alongwith associated bays at Ara 220/132 kV Sub-station;

Asset II: Addition of 1X500 MVA, 400/220 kV ICT alongwith associated bays at Muzaffarpur 400/220 kV Sub-station;

Asset-III: 1 No. of 1x125 MVAR Bus Reactor and associated bay at 400 kV Maithon Sub-station;



Asset-IV: Replacement of 1 No. of 1x315 MVA, 400/220 kV ICT with 1x500 MVA, 400/220 kV ICT (1st) at 400 kV Maithon Sub-station;

Asset-V: 01 No. of 01x125 MVAR Bus Reactor (1st) and associated bay equipment at 400 kV Durgapur Sub-station;

Asset-VI: 01 No. of 1x125 MVAR Bus Reactor (2nd) and associated bay equipment at 400 kV Durgapur Sub-station;

Asset-VII: 02 Nos. of 125 MVAR Bus Reactor I & II at Rengali Sub-station;

Asset-VIII: Installation of 01x125 MVAR Bus Reactor by replacing existing 1x50 MVAR Bus Reactor at 400 kV Rourkela Sub-station;

Asset-IX: Installation of 01x125 MVAR Bus Reactor in Parallel with existing 50(3X16.67) MVAR Bus Reactor at Biharsharif Sub-station;

Asset-X : Installation of 1x125 MVAR Bus Reactor-II after replacing existing 1X50 MVAR Bus Reactor at Jamsedpur Sub-station;

Asset-XI: Installation of 1x125 MVAR Bus Reactor-I in Parallel with existing 1X50 MVAR Bus Reactor at Jamsedpur Sub-station;

Asset-XII: Installation of 1X125 MVAR Bus Reactor at 400 kV Gazuwaka Sub-station;

Asset-XIII: Replacement of 1 No. of 1x315 MVA, 400/220 kV ICT with 1x500 MVA, 400/220 kV ICT (2nd) at 400 KV Maithon Sub-station.

3. The representative of the Petitioner submitted that the tariff for the instant Assets-VIII and X was claimed in Petition No.38/TT/2017. However, the Commission vide order dated 22.5.2019 observed that as the said assets would replace the existing assets, the Petitioner should file a separate petition for determination of tariff along with the details of the decapitalisation of the replaced asset. He submitted that the replaced assets would be used as regional spares and as such there is no need for decapitalisation of the replaced asset. He further submitted that as per the recommendations of the Committee on Regional Spares and the 24th ERPC meeting dated 26/27.4.2013 and SCM dated 5.1.2013, the replaced ICTs can be used as regional spares. He, therefore, requested to allow tariff for Assets VIII and X for the period from COD to 31.3.2019 as claimed in the instant petition.



4. The representative of the Petitioner submitted that Review Petition No.23/RP/2019 has been filed against the order dated 30.9.2019 in Petition No. 171/TT/2018, in which the tariff for the instant Asset-XIII was approved, wherein the Commission reduced the cost of the replaced asset from the capital cost of the Asset-XIII. The Review Petition No.23/RP/2019 was listed in the month of July, 2020 and was admitted.

5. The representative of the Petitioner submitted that instant assets were put into commercial operation during the 2014-19 tariff period and submitted that the tariff from their respective COD to 31.3.2019, except for Assets-VIII and X, was allowed vide order dated 23.3.2016 in Petition No. 238/TT/2015, order dated 29.6.2016 in Petition No. 29/TT/2016, order dated 22.5.2019 in Petition No.38/TT/2017 and order dated 30.9.2019 in Petition No. 171/TT/2018. There is time over-run in case of Assets-III, IV, VIII and X and representative of the Petitioner submitted that the reasons for the time over-run has been submitted and he requested to condone the time over-run in case of the said assets. He submitted that overall spares are within the ceiling limit. The reply to the Technical Validation letter has been given vide affidavit 8.6.2020 wherein details of additional capitalization beyond the cut-off have has been submitted.

6. In response to a query of the Commission, the representative of the Petitioner clarified that all the subjects assets have been put to use. He further submitted that Asset-X i.e. 125 MVAR Bus Reactor-II was installed after removal of existing 50 MVAR Bus Reactor on 16.11.2017 and it is now being used as a Regional Spare. He submitted that no O&M Expenses are being claimed for it and it is not connected to bus bar. He submitted that in the event of requirement in the grid, it will be used.

7. The Commission observed that the Petitioner should have claimed the tariff for the instant Assets-VIII and X from their respective COD to 31.3.2019 separately alongwith the details of the decapitalisation of the replaced asset as per the directions of the Commission in order dated 22.5.2019 in Petition No.38/TT/2017. The Commission also observed that it will take a comprehensive view on the issue of replacement of the existing assets, their decapitalisation and capitalization on the basis of the Regulations and APTEL's judgement dated 25.4.2016 in Appeal No. 98 of 2015.

8. The Commission directed the Petitioner to submit the following information, on affidavit, by 16.9.2020 with an advance copy to the Respondents:-

- i. The name of Asset-VII (02 Nos. of 125 MVAR Bus Reactor I & II at Rengali Sub-station) covered in the instant petition does not match with the element description in the forms of Asset-VII (Installation of 2X125 MVAR Bus Reactor and associated 400 KV bays at Rengali Sub-station). Provide justification for the same.
- ii. For Asset-IV, total IDC as per the cash IDC statement is ₹28.69 lakh which does not match with the total IDC as per Auditor's Certificate (₹31.73 lakh). Provide justification for the same.



- iii. As per Form 7 of Assets-VII and IX, the amount of undischarged spares is more than the amount of balance and retention payment for 2017-18 and 2018-19 respectively. Provide justification for the same.

9. The Commission further directed the Petitioner to submit the above information within the specified timeline and observed that no extension of time shall be granted.

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

By order of the Commission

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

