

CENTRAL ELECTRICITY REGULATORY COMMISSION
4th Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001
Ph: 23753942, Fax-23753923

Petition No. 20/TT/2020

Date: 18.2.2020

To,

Shri S.S. Raju,
Senior General Manager (Commercial),
Power Grid Corporation of India Limited,
Saudamini, Plot No. 2,
Sector-29, Gurgaon-122001

Subject: Truing up of transmission tariff of 2014-19 period and determination of tariff for 2019-24 period of 04 nos. of assets under “Line Bays and Reactor Provisions at Powergrid Sub-stations associated with System Strengthening Common for Western Region and Northern Region in Western Region.”

Sir,

With reference to your petition mentioned above, I am directed to request you to furnish the following information under Regulation 87(2) of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, on an affidavit, with an advance copy to the respondents/ beneficiaries, latest by 25.2.2020:-

- i. Details of assets alongwith attributable gross fixed assets forming part of the project, but not in use.
- ii. Clarify whether there is any asset that is being replaced/de-capitalized/not put to use due to execution of the present assets. If so, provide details of such assets in Form 9B(I) along with details of the Petition, wherein the previous tariff was allowed.
- iii. Details of IDC discharged on cash basis separately for each asset in the following format:-

Particulars	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Land					
Building and Civil					

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Works					
Tr. Line					
Sub-Station					
PLCC/Communication System					
I.T. Equipment					
Total					

3. With regard to balance and retention payment claimed during 2014-15 to 2018-19, submit the following information:-
- Synopsis of contracts against which payments have been retained and reasons thereof.
 - Submit the statement of balance and retention payments not included in the present petition and also furnish details of payments proposed to be made in future against balance and retention amount.
4. Provide Auditor's certificate for plant and machinery cost on cut-off date excluding IDC, IEDC, land cost and cost of civil works for computing the cost of initial spares and certify whether the same is as per the Tariff Regulations, 2014.
5. The Petitioner has claimed the following depreciation amount with respect to IT equipment:

₹ in lakh

Asset	Gross Block as on CoD	Depreciation claimed by the Petitioner					Cumulative Depreciation for FY 2014-19	Gross Block as on 01.04.2019
		FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19		
Asset-I	65.42	5.49	12.71	13.4	14.08	14.08	59.76	93.84
Asset-II	16.34	1.08	3.49	3.77	3.77	3.77	15.88	25.16
Asset-III	33.79		2.77	5.07	5.07	5.07	17.98	33.81
Asset-IV	33.8		2.76	5.07	5.07	5.07	17.97	33.81
Total	149.3	6.57	21.73	27.31	27.99	27.99	111.59	186.6



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₹ in lakh

Asset	Gross Block as on 01.04.2020	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	Cumulative Depreciation for FY 2019-24	Total Depreciation
Combined Asset	186.62	27.99	27.99	26.60	0.00	0.00	82.58	194.17

In light of the above information, furnish the following:-

- i. The claimed cumulative depreciation for IT equipment is ₹194.17 lakh whereas the gross block for the same amounts to ₹186.62 lakh. Justification for claiming excess depreciation of ₹7.55 lakh
 - ii. Calculation for claiming depreciation of ₹26.60 lakh for 2021-22 for combined assets.
6. With regard to additional capitalization during 2014-19 period, provide the pattern of funding from domestic/ foreign investment.
 7. There is mismatch in capital cost and additional capitalization claimed for 2014-15 to 2018-19 in the Petition and in Form-6. Provide justification for the same.
 8. Return on Equity claim is based on actual tax and interest paid during 2014-15 to 2018-19 and as such, the following information be furnished:-
 - i. Supporting documents for claim of tax and interest paid during 2014-19 period such as Assessment Orders, Income tax Return Statements etc.
 - ii. Calculation of effective tax percentage for each year during 2014-19 period.
 9. Additional capitalization claim is on account of un-discharged liability towards final payment/withheld payment due to contractual exigencies for works executed within the cut-off date whereas additional capitalization amounting to ₹13 lakh for the year 2019-20 for Asset-4 has been claimed under Regulation 25(1) (f) of Tariff Regulations, 2019. Clarify the same along with statement of balance and retention payments yet to be made and not included for the period 2019-24.
 10. Confirm by way of undertaking that the equity and debt for the total capital cost and additional capital cost considered in the Petition for calculation of



Annual fixed charges is on actual basis along with the funding scheme for Additional Capitalization.

11. O&M expense for 2014-19 and 2019-24 tariff periods have been claimed on normative basis for 765 kV sub-station/ per bay. A line reactor is placed in line at the point of use or just after a transformer to maintain a stable amperage to the user. Clarify that O&M expense has not been claimed for the same bay under any other Petition. Also submit the following information:-
 - i. Actual O&M expense for each asset for each of the year during 2014-19 period.
 - ii. Single Line Diagram separately for each of the assets to justify that each of the asset represents a separate bay.
12. Submit Forms 3,4, 5, 5A and 5B for 2014-19 period and 5B for 2019-24 period.
13. In case the above said information is not filed within the specified date, the petition shall be disposed on the basis of the information already on record.

Yours faithfully,

Sd/-
(Rajendra Kumar Tewari)
Bench Officer

