

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 12/TT/2021

- Subject** : Petition for truing up of fee and charges of 2014-19 tariff period and determination of fee and charges of 2019-24 tariff period of four assets and truing up of transmission tariff of 2014-19 tariff period and determination of transmission tariff of 2019-24 tariff period for twelve assets under “Fibre Optic Communication System in lieu of existing Unified Load Despatch and Communication (ULDC) Microwave links” in Eastern Region.
- Date of Hearing** : 24.9.2021
- Coram** : Shri P.K. Pujari, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member
- Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : Bihar State Power (Holding) Company Ltd.
& 9 Others
- Parties present** : Ms. Rohini Prasad, Advocate, BSPHCL
Shri S. S. Raju, PGCIL
Shri D.K. Biswal, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Shri A.K. Verma, PGCIL

Record of Proceedings

Case was called out for virtual hearing.

2. The representative of the Petitioner made the following submissions:
 - a. The instant petition has been filed for truing up of fee and charges of 2014-19 tariff period and determination of fee and charges of 2019-24 tariff period of sixteen assets under “Fibre Optic Communication System in lieu of existing Unified Load Despatch and Communication (ULDC) Microwave links” in Eastern Region.



- b. Assets-1, 2, 3 and 4 were put under commercial operation during 2009-14 tariff period while Assets-5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16 were declared under commercial operation during 2014-19 tariff period.
- c. Fee and charges in respect of Assets-1, 2, 3 and 4 were determined for 2014-19 tariff period vide order dated 5.2.2020 in Petition No. 262/TT/2019.
- d. Transmission tariff for Assets-5, 6, 7, 8, 9 and 10 was determined for 2014-19 tariff period vide order dated 5.12.2016 in Petition No. 48/TT/2016. Transmission tariff in respect of Assets-11, 12, 13, 14, 15 and 16 was determined for 2014-19 tariff period vide order dated 4.7.2019 in Petition No. 239/TT/2018.
- e. Actual cost of the assets as on 31.3.2019 is slightly less than what was admitted by the Commission as actual Additional Capital Expenditure (ACE) is less than the projected ACE. Credit has been passed in form of de-capitalization for the Optical Fiber Links which were being used for telecommunication purposes.
- f. ACE has been projected during 2019-24 tariff period.
- g. None of the Respondents have filed any reply to the petition.
- h. Assets-1, 2, 3 and 4 have not been combined while the assets which were put into commercial operation during 2014-19 tariff period have been combined in 2019-24 period.
3. Learned counsel for BSPHCL sought 10 days' time to file reply in the matter and made the following submissions:
- a. The Petitioner has submitted that in the orders dated 5.12.2016 in Petition No. 48/TT/2016 and dated 4.7.2019 in Petition No. 239/TT/2018, the cost of the assets was restricted to approved apportioned cost on account of absence of RCE. However, as is evident from order dated 5.12.2016 in Petition No. 48/TT/2016, the cost of the assets was restricted as the assets exceeded the approved apportioned cost.
- b. The Commission vide its order dated 4.7.2019 in Petition No. 239/TT/2018 granted liberty to the Petitioner to submit RCE and apportioned approved cost in respect of Assets 11-16 of the present petition based on RCE at the time of truing up. Since the Commission vide order dated 4.7.2019 in Petition No. 239/TT/2018 did not condone the time over-run in respect of the Assets 11-16 of the present petition, revision of cost on account of time over-run for these assets may be disallowed. Further, cost over-run on account of IDC and IEDC pertaining to time over-run may be disallowed.
- c. Details sought by the Commission vide orders dated 5.12.2016 in Petition No. 48/TT/2016 and dated 4.7.2019 in Petition No. 239/TT/2018 must be placed on record by the Petitioner.



- d. MAT rate must be considered only as per Regulation 25(3) of the 2014 Tariff Regulations and only on the basis of actual tax paid. Further, MAT rates must be adjusted against refund of tax including interest received from IT authorities and penalty on account of delayed/ short deposit.
- e. Petitioner cannot be allowed floating rate of interest.
- f. ACE, IDC and IEDC must be dealt in line with the observations of the Commission in previous orders.
- g. Initial Spares may be allowed as per the Tariff Regulations. The Petitioner did not claim any Initial Spares for the assets covered in Petition No. 262/TT/2019 for 2014-19 period. However, the Petitioner is now at the stage of truing up is claiming Initial Spares for the assets covered in the said petition and the same is required to be explained.
- h. GST can only be claimed by a Generating Company and Petitioner's claim in this regard is premature.
- i. Petitioner's claim with regard to O&M Expenses needs to be allowed keeping in mind the previous orders of the Commission.
4. In response, the representative of the Petitioner made the following submissions:
- a. Commission had given liberty to the Petitioner to produce RCE at the time of truing-up.
- b. IDC and IEDC has been claimed taking into consideration the time over-run and the directions of the Commission in previous orders.
5. The Commission directed BSPHCL to file its reply on affidavit with an advance copy of the same to the Petitioner by 12.10.2021 and the Petitioner to file rejoinder, if any, by 22.10.2021. The Commission further directed the parties to adhere to the specified timeline and observed that no extension of time shall be granted.
6. Subject to the above, the Commission reserved order in the matter.

By order of the Commission

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(V. Sreenivas)
Deputy Chief (Law)

