

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Review Petition No. 2/RP/2020 in
Petition No. 182/TT/2018**

- Subject** : Petition for review of order dated 1.11.2019 in Petition No. 182/TT/2018.
- Review Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : Madhya Pradesh Power Management Co. Ltd. & 12 Ors.
- Date of Hearing** : 26.11.2021
- Coram** : Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
- Parties Present** : Ms. Soumya Singh, Advocate, PGCIL
Ms. Suparna Srivastava, Advocate, CTU
Shri Tushar Mathur, Advocate, CTU
Shri Abhishek Swaroop, Advocate, SEL
Shri Naman Kamdar, Advocate, SEL
Ms. Chhavi Jain, Advocate, SEL
Shri Siddharth Sharma, CTUIL
Shri Ranjeet Singh Rajput, CTUIL
Shri Swapnil Verma, CTUIL

Record of Proceedings

Case was called out for virtual hearing.

2. Instant Review Petition arises out of the Commission's order dated 1.11.2019 in Petition No. 182/TT/2018 whereby the Commission allowed tariff from the date of commercial operation to 31.3.2019 in respect of 400 kV, 125 MVAR Bus Reactor at Bina (hereinafter referred to as 'the subject asset') under "Installation of Bus Reactor and ICT in Western Region" for 2014-19 tariff period under the 2014 Tariff Regulations. In the said order, it was observed that the subject asset replaced the existing 63 MVAR Bus Reactor at Bina and that the replaced 63 MVAR Bus Reactor at Bina is not in use. The Commission in the said order concluded that the capital cost of the replaced 63 MVAR Bus Reactor at Bina should be excluded from the capital cost of the subject asset and accordingly deducted the same from the capital cost of the subject asset while allowing tariff for 2014-19 period.

3. Learned counsel for the Review Petitioner/ PGCIL made the following submissions:

- (a) The Commission in its order dated 1.11.2019 in Petition No. 182/TT/2018 while allowing tariff of the subject asset lost sight of the fact that in Petition No. 208/TT/2016 vide order dated 22.11.2017, the Commission observed that PGCIL was proposing to replace 63 MVAR Bus Reactor at Bina with the subject asset i.e. 400 kV 125 MVAR Bus Reactor at Bina and to use the



replaced 63 MVAR Bus Reactor as a Regional Spare at Bina. It was further observed in the said order dated 22.11.2017 that PGCIL would de-capitalize 63 MVAR Bus Reactor at Bina and, thereafter, would file a separate petition claiming the tariff for the subject asset. With regard to the use of 63 MVAR Bus Reactor at Bina as Regional Spare, the Commission in the said order observed to consider the same after submitting the list of Regional Spares already available and the requirement of such spares type-wise at the time of truing up. Thus, the said order dated 22.11.2017 of the Commission left open its view on the use of 63 MVAR Bus Reactor at Bina as a Regional Spare.

- (b) In the Standing Committee Meeting on Power System Planning in Western Region held on 3.1.2013 and WRPC meeting held on 26.2.2013, it was agreed and decided to replace the 63 MVAR Bus Reactor at Bina (PG) by 125 MVAR Bus Reactor and keep 63 MVAR Bus Reactor as a Regional Spare.
- (c) A Committee was constituted by the Commission in Petition No. 38/TT/2017 to assess the requirement of Regional Spares including Bus Reactors and the Committee in its report, submitted in March 2019, recommended the requirement of spare transformers and reactors.
- (d) The Commission vide order dated 6.2.2021 in Petition No. 505/TT/2020 has considered and allowed the arrangement of reactors as Regional Spare after taking note of useful life of the reactors, minutes of Standing Committee Meeting on Power System Planning and Regional Power Committee.
- (e) 63 MVAR Bus Reactor at Bina kept as Regional Spare has only completed 8 years of useful life. Hence, its tariff may be allowed as prayed for in the original petition.

4. Learned counsel for MPPMCL has made the following submissions:

(a) 2014 Tariff Regulations has no provision of Regional Spares. There is provision for Initial Spares in the 2014 Tariff Regulations and it nowhere provides that Regional Spares can be considered as part of Initial Spares and as such the plea of the Review Petitioner for allowing tariff of 63 MVAR Bus Reactor at Bina as a Regional Spare should be rejected. The Commission in the impugned order has rightly excluded the capital cost of the asset not in use in terms of clause 6 of Regulation 9 of the 2014 Tariff Regulations.

5. In response, learned counsel for the Petitioner clarified that 63 MVAR Bus Reactor is being used as a Regional Spare with the consent of WR beneficiaries and this arrangement is supported by SCM dated 3.1.2013 and WRPC meeting dated 26.2.2013. Hence, the said 63 MVAR Bus Reactor at Bina is eligible for tariff as prayed for in the original petition.

6. After hearing the parties, the Commission reserved order in the matter.

By order of the Commission

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

