

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 216/TT/2020

Subject : Petition for truing up of the transmission tariff of the 2014-19 period and determination of tariff of the 2019-24 tariff period of the transmission system constructed, maintained and operated by Adani Transmission (India) Limited *vide* Licence No. 20/Transmission/2013/CERC.

Date of Hearing : 28.8.2020

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

Petitioner : Adani Transmission (India) Ltd. (ATL)

Respondents : Power Grid Corporation of India Ltd. (PGCIL) & 39 Ors.

Parties present : Shri Sourav Roy, Advocate, ATL
Shri Manoj Dubey, Advocate, MPPMCL
Shri Bhavesh Kundalia, ATL
Shri Prabudh Singh, ATL
Shri Afak Pothiawala, ATL
Shri Rajeev Gupta, MPPMCL

Record of Proceedings

The matter was heard through video conference.

2. The learned counsel for the Petitioner submitted that the instant petition is filed for truing up of transmission tariff allowed for the 2014-19 period and for determination of tariff for the 2019-24 tariff period in respect of the following assets pertaining to evacuation of power from Mundra Power Project to NR and WR:

- a. Asset-I: ± 500 kV bipole Mundra-Mohindergarh HVDC Transmission Line including associated 400 kV lines, terminal sub-stations & bays; and
- b. Asset-II: 400 kV D/C Mundra-Dehgam Transmission Line including associated system.



3. Learned counsel for the Petitioner submitted that the tariff for the instant assets was allowed by the Commission for the 2014-19 period vide order dated 3.11.2017 in Petition No. 146/TT/2016. The Additional Capital Expenditure (ACE) approved in order dated 3.11.2017 for 2014-15 and 2015-16 is considered for truing up in the instant petition. He submitted that ACE during 2016-17 and 2018-19 is beyond the cut-off date of 31.3.2016 and the same is claimed under Regulation 14(3)(vii) and 14(3)(ix) of the 2014 Tariff Regulations.

4. Learned counsel for the Petitioner submitted that ACE claimed during the 2016-17 and 2018-19 for Asset-I was on account of expenses involved in changing of equipment at the sub-stations, installation of cleaning infrastructure and replacement of porcelain insulators due to excessive corrosion because of a nearby creek. ACE in case of Asset-II is due to replacement of battery banks and DPL. He further submitted that Auditor certificate in support of ACE in 2016-17 and 2018-19 has been filed in the instant petition. He submitted that ACE claimed by the Petitioner is justified as the instant assets are over a decade old.

5. Learned counsel for the Petitioner further submitted that ACE was made to ensure smooth and continuing operations of the project. He submitted that ACE was on account of obsolescence of technology and non-availability of servicing facility of PLCC equipment of BPL make, which were replaced with panels made by ABB for efficient operation. The contaminated insulators were susceptible to flashover during humid conditions or foggy weather and, therefore, there was a need for periodic cleaning. Accordingly, the Petitioner developed deep insulator cleaning mechanism and purchased truck mounted hotline washing machine for insulators. The expenditure towards them was not anticipated.

6. The Commission observed that the Petitioner is claiming technology obsolescence even before completion of half of the expected life of the transmission assets and some of the expenditure claimed by the Petitioner under the head ACE is towards maintenance of the transmission assets and hence should be met from the O&M Expenses already approved.

7. Learned counsel of the Petitioner submitted that ACE due to introduction of SCADA system has become necessary because Microsoft has stopped servicing Windows XP used by the Petitioner and the expenses towards installation of 12 OHM series reactors mandated by the ECT meeting held on 21.12.2018 for which the Petitioner had already approached the Commission to amend its transmission license so that OHM reactors could be installed at Mohindergarh HVDC terminal. He further submitted that the installation of 12 OHM series reactors is proposed to be completed in 2020-21 and the same is permissible under Regulations 25 and 26 of the 2019 Tariff Regulations. He submitted that calculation of depreciation, interest on loan, O&M Expenses etc. are as per the 2019 Tariff Regulations.

8. Learned counsel of MPPMCL contended that ACE claimed by the Petitioner in respect of Asset-I in 2016-17, 2017-18 and 2018-19 towards Truck Mounted Hot Line Washing Machine for Insulators; Silicon Paint Coating on high voltage insulators; replacement of porcelain insulators; expenses for installation of Security System for



efficient operation of transmission system; expenses on APFC Panel are part of O&M expenses and are not of capital nature. He further submitted that the said expenditure was not included in the original scope of work and same not being genuine or bona fide or necessary, may be disallowed. Similarly, ACE claimed in case of Asset-II in 2017-18 and 2018- 2019 on account of installation of security system; replacement of battery bank; upgradation of Power Line Carrier Communication; liabilities to meet award of Arbitration for Land at Sami and expenses towards change of Possession of Land are not bona fide and are also liable to be rejected. He further submitted that for the liability because of the arbitration award of land at Sami, no satisfaction certificate has been filed by the Petitioner. He submitted that Petitioner's claim towards change in the possession of land is imaginary, baseless and may be disallowed.

9. The Commission observed that none of the Respondents except MPPMCL have filed their reply despite service. The Commission directed other Respondents to file their reply and the Petitioner to file rejoinder, if any, by 07.02.2021.

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

By order of the Commission

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

