

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 223/TT/2020

Subject : Petition for determination of transmission tariff of the 2014-19 period for installation of 1x250 MVA, 400/220 kV ICT at Bhadrawati HVDC back to back station under “Installation of Transformer & Procurement of Spare Converter Transformer at Bhadrawati Back to Back Station” in Western Region.

Date of Hearing : 19.8.2020

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

Petitioner : Power Grid Corporation of India Ltd.

Respondents : Madhya Pradesh Power Management Company Ltd. & 21 Others

Parties present : Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri B. Dash, PGCIL

Record of Proceedings

The matter was heard through video conference.

2. The representative of the Petitioner submitted that the instant petition is filed for determination of transmission tariff for the 2014-19 period in respect of 1x250 MVA, 400/220 kV ICT at Bhadrawati HVDC back to back station under “Installation of Transformer & Procurement of Spare Converter Transformer at Bhadrawati Back to Back Station” in Western Region, which was shifted from Moga. The subject asset was put into commercial operation on 8.9.2017. He submitted that earlier the Petitioner had claimed tariff of another ICT (315 MVAR ICT) at Bhadrawati in Petition No. 56/TT/2015. However, the Commission *vide* order dated 29.7.2016 in the said petition disallowed the tariff for the asset while observing that “*installation of ICT of 315 MVA capacity transformer to meet requirements of 2 MVA load is not a prudent decision on the part of the petitioner as almost entire capacity of the transformer would remain unutilized*”. He submitted that



SRPC in its 34th Meeting decided that spare 250 MVAR ICT at Moga will be shifted to Bhadrawati. He submitted that initially it was decided to shift the asset at zero cost. However, as per the directions of the Commission that an element/ asset should be decapitalised from where it is removed and re-capitalized at the place where it is installed, instead of zero cost, depreciated cost of diverted ICT and bay equipment cost has been claimed in the instant petition. The details of the cost for the instant asset are given in Form-5 filed along with the petition. He submitted that the time over-run in operationalizing the instant asset is mainly due to the shifting of 315 MVAR ICT (from Bhadrawati to Daltonganj) and installation of 250 MVAR ICT at Bhadrawati for which justification has been given in the petition. He requested the Commission to condone the time over-run. He also submitted that rejoinder to the reply of MPPMCL has been filed *vide* affidavit dated 17.8.2020 and requested to allow the tariff as prayed in the petition.

3. The representative of the Petitioner submitted that as the Commission disallowed tariff in respect of 315 MVAR ICT at Bhadrawati, the said ICT was shifted from Bhadrawati to Daltonganj and the tariff for the 315 MVAR ICT was allowed *vide* order dated 21.11.2019 in Petition No. 105/TT/2018.

4. In response to a query of the Commission regarding shifting of 315 MVAR ICT from Bhadrawati to Daltonganj, the representative of the Petitioner submitted that the capital cost of the transformer has been deducted from Bhadrawati and capitalized at Daltonganj from the date of such de-capitalization and is covered under Petition No. 105/TT/2018. In response to another query of the Commission regarding the treatment of the intervening period between de-capitalization and re-capitalization, the representative of the Petitioner submitted that the cost and unrecovered depreciation (without transportation and other expenditure) of the 315 MVAR ICT has been claimed from COD, i.e., 8.9.2017.

5. The Commission observed that the subject asset, i.e. the 250 MVA, 400/220 kV ICT at Bhadrawati is installed in the WR. However, the Petitioner has submitted that the installation of the instant asset at Bhadrawati was discussed and agreed in the 31st, 33rd and 34th SRPC. The Commission directed the Petitioner to clearly state whether beneficiaries in WR would bear the transmission charges or the beneficiaries in the SR and why the approval of the WRPC was not obtained when the subject asset is installed in the WR.

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

By order of the Commission

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

