

CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi

Petition No. 272/TT/2020

- Subject** : Petition for truing up of Charges of the 2014-19 tariff period and determination of Fees and Charges for 2019-24 tariff period for transmission assets under Unified Load Despatch and Communication Scheme (POWERGRID portion i.e. Communication system portion and SLDC system retained by the Petitioner after formation of POSOCO) in the Northern Region.
- Date of Hearing** : 26.10.2021
- Coram** : Shri P. K. Pujari, Chairperson
Shri Arun Goyal, Member
Shri I.S Jha, Member
Shri P. K. Singh, Member
- Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : National Thermal Power Corporation Ltd. and 20 others
- Parties Present** : 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. Instant petition is filed for truing up of charges for the 2014-19 tariff period and determination of fees and charges for the 2019-24 tariff period in respect of Unified Load Despatch and Communication Scheme (POWERGRID portion i.e. Communication system portion and SLDC system retained by the Petitioner after formation of POSOCO) in the Northern Region;
 - b. The transmission assets were put under commercial operation on 1.8.2002;
 - c. The transmission tariff for the 2014-19 tariff period was allowed by the Commission vide order dated 20.7.2018 in Petition No. 218/TT/2017;
 - d. No ACE has been claimed for the 2014-19 as well as for the 2019-24 tariff period;



- e. The transmission assets have already completed the useful life of 15 years as on 31.7.2017. However, the fees and charges have been claimed after 1.8.2017 on account of O&M Expenses and Interest on Working Capital;
- f. The actual O&M Expenses for the 2014-19 tariff period have been submitted with detailed break-up and Auditor's Certificate along with the petition as against the O&M expenses allowed by the Commission vide order dated 20.7.2018 in Petition No. 218/TT/2017;
- g. The O&M Expenses for the 2019-24 tariff period have been considered as 2% of the capital cost and the actual O&M Expenses incurred shall be submitted at the time of true-up;
- h. Information sought in the technical validation letter was submitted *vide* affidavit dated 20.9.2021; and
- i. None of the respondents have filed any reply in the instant petition.

3. In response to Commission's query regarding the likelihood of continuation of existing assets considering the fast paced changes in the technology, the Petitioner submitted that some assets such as OPGWs, RTUs in sub-stations and some of the communication systems are under the State portion and some assets are under the central sector. O&M Expenses are not being claimed for the State portion while some of the assets in the central sector may be replaced in future. Whenever the assets will be replaced, the O&M expenses shall be removed from the fees and charges.

4. In response to the Commission's query regarding the availability of any replacement plan so that O&M Expenses may be allowed accordingly, the Petitioner submitted that the claimed O&M Expenses @2% of the capital cost is on lower side of the actual O&M expenses incurred during the 2014-19 tariff period.

5. After hearing the representative of the petitioner, the Commission directed the Petitioner to submit the following information on affidavit by 15.11.2021 after serving copy to the Respondents:

- (i) The details of assets covered under Unified Load Despatch and Communication Scheme (ULDC);
- (ii) Whether the assets under ULDC are upgraded/ replaced? If so, submit the details of the upgraded/ replaced assets and also details of the new assets and the petitions in which tariff is granted/ claimed for the new assets.
- (iii) Whether the assets under ULDC are in use? If so, submit the details of the same.
- (iv) The details of the assets for which O&M Expenses is claimed.



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

By order of the Commission

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

