

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 325/TT/2019

- Subject** : Petition for revision of transmission tariff of 2004-09 and 2009-14 tariff periods, truing up of transmission tariff of the 2014-19 period and determination of transmission tariff of 2019-24 period for two no. of assets under “System Strengthening-IV” in Southern Region.
- Date of Hearing** : 10.3.2021
- Coram** : Shri P.K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member
Shri P. S. Mhaske, Member (Ex-officio)
- Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : Karnataka Power Transmission Corporation Ltd.
& 17 Others
- Parties present** : Shri B. Vinodh Kanna, Advocate, TANGEDCO
Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri B. Dash, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Ms. R. Ramalakshmi, TANGEDCO
Dr. R. Kathiravan, TANGEDCO

Record of Proceedings

Case was called out for virtual hearing.

2. The representative of the Petitioner has made the following submissions:
 - a. Instant petition has been filed for revision of transmission tariff of 2004-09 and 2009-14 tariff periods, truing up of transmission tariff of 2014-19 period and determination of transmission tariff of 2019-24 period in respect of Asset-I: LILO of Nagarjunasagar-Raichur 400 kV S/C at Mehboobnagar and Asset-II: LILO of Nellore-Sriperumbudur 400 kV D/C at Alamatti.



- b. Assets-I and II were put into commercial operation on 1.1.2006 and 1.6.2006 respectively.
 - c. The Commission vide order dated 12.5.2008 in Petition No. 143 of 2007 allowed the tariff of the subject assets for 2004-09 tariff period and revised the same owing to Additional Capital Expenditure incurred during 2007-08 vide order dated 13.5.2009 in Petition No. 23 of 2009. Tariff for 2009-14 period was allowed vide order dated 8.3.2011 in Petition No. 123 of 2010 and for the period 2014-19 vide order dated 6.11.2015 in Petition No. 124/TT/2014.
 - d. The Petitioner is before the Commission for revision of tariff of 2004-09 and 2009-14 periods pursuant to the Commission's order dated 18.1.2019 in Petition No.121 of 2007. There is no Additional Capital Expenditure (ACE) during 2014-19 and 2019-24 tariff periods.
3. Learned counsel for TANGEDCO submitted that TANGEDCO has filed its reply vide affidavit dated 9.3.2021 and made the following oral submissions:
- a. The claim for revision of transmission tariff as sought to be effected in the present petition on account of change in Interest on Loan, depreciation as deemed repayment and Interest on Working Capital to the extent of revision in Maintenance Spares and consequential effect of tariff in 2009-14 and 2014-19 tariff periods, truing up of tariff for 2014-19 period is bad in law as the Electricity Act, 2003 and Commission's Tariff Regulations do not envisage and permit retrospective revision of the bills with effect from the COD. He placed reliance on the judgement of Hon'ble Supreme Court of India in *U.P. Power Corporation Ltd. Vs. NTPC Ltd.* reported in (2009) 6 SCC 235 to buttress his submission.
 - b. As of now GST is not applicable on transmission services. In case, the same is levied in future, the same will be passed through. TANGEDCO has relied on the judgment dated 19.12.2018 of Hon'ble High Court of Gujarat in Special Civil Appeal 5343 of 2018 in the matter of Torrent Power Ltd. Vs. Union of India on the issue of claiming tax retrospectively.
 - c. The 2020 Sharing Regulations were notified on 4.5.2020 and came into force with effect from 1.11.2020. Hence, it is necessary to segregate the additional cost and tariff liability up to 31.10.2020 and from 1.11.2020 onwards in order that the transmission charges may be allocated based on 2010 Sharing Regulations and 2020 Sharing Regulations respectively.
4. The representative of the Petitioner controverted the submissions of learned counsel for TANGEDCO and reiterated the submissions as pleaded in the petition. He, however, sought time to file rejoinder to the reply of TANGEDCO.



5. The Commission allowed the Petitioner to file rejoinder to the reply of TANGEDCO by 18.3.2021. The Commission also directed the Petitioner to adhere to the specified timeline and observed that no extension of time shall be granted.

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

By order of the Commission

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

