

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 372/TT/2020

Subject : Petition for truing up of transmission tariff of the 2014-19 period and determination of transmission tariff of 2019-24 period for twenty-two assets under “Eastern Region Strengthening Scheme-III (ERSS-III)” in Eastern Region.

Date of Hearing : 31.8.2021

Coram : Shri P.K. Pujari, Chairperson
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member

Petitioner : Power Grid Corporation of India Ltd.

Respondents : Bihar State Power (Holding) Company Ltd.
& 7 Others

Parties present : Ms. Rohini Prasad, Advocate, BSPHCL
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. The instant petition has been filed for truing up of transmission tariff of 2014-19 period and determination of transmission tariff of 2019-24 period in respect of 22 transmission assets under “Eastern Region Strengthening Scheme-III (ERSS-III)” in Eastern Region. The details of the transmission assets have been given under paragraph 3 of the instant petition.
 - b. Asset-1 was put into commercial operation during 2009-14 tariff period, Assets-2 to 21 were put into commercial operation during 2014-19 period and Asset-22 was put into commercial operation during 2019-24 tariff period.
 - c. The details of the transmission tariff allowed by the Commission for 2014-19 tariff period in respect of the subject assets are as follows:



- (i) Asset-1 vide order dated 21.3.2016 in Petition No. 30/TT/2015,
- (ii) Assets-2 to 9 vide order dated 24.2.2017 in Petition No. 85/TT/2015,
- (iii) Assets-10 to 13 vide order dated 20.9.2017 in Petition No. 278/TT/2015,
- (iv) Assets-14 to 20 vide order dated 21.11.2019 in Petition No. 105/TT/2018, and
- (v) Tariff for Assets-21 and 22 is yet to be determined.

d. Entire scope of “Eastern Region Strengthening Scheme-III (ERSS-III)” is covered under the instant petition.

e. The Commission vide order dated 21.11.2019 in Petition No. 105/TT/2018 did not allow transmission tariff for Assets-21 and 22. Assets-21 and 22 are 50 MVAR Line Reactors for 400 kV D/C Daltonganj-Sasaram Line at Daltonganj Sub-station. These two 50 MVAR Line Reactors at Daltonganj were put into commercial operation and were in use at 400/220 kV Agra Sub-station as 2x50 MVAR Line Reactors for 400 kV D/C Agra-Sikar Line commissioned w.e.f. 1.1.2014 under Sasan and Mundra UMPP in Northern Region. The same were subsequently replaced by 2 x 80 MVAR Line Reactors at Agra and the 2 x 50 MVAR Line Reactors were shifted to Daltonganj and put into commercial operation w.e.f. 29.9.2018 and 3.8.2019 respectively under ERSS-III project. Truing up of tariff in respect of Asset-21 is claimed in this petition as it was put into commercial operation during 2014-19 period while tariff is claimed for Asset-22 in this petition as it has been put into commercial operation during 2019-24 period.

f. Incidental Expenditure During Construction (IEDC) and Initial Spares relating to certain assets were disallowed earlier. IEDC cost earlier disallowed based on hard cost basis has been added back pursuant to the judgment of APTEL dated 2.12.2019 in Appeal Nos. 95 and 140 of 2018. Initial Spares have been claimed on overall project cost basis.

g. Additional Capital Expenditure (ACE) during 2014-19 period has increased and it has spilled over to 2019-24 tariff period and has been claimed accordingly.

h. There is a time over-run of 2157 days and 2465 days in case of Assets-21 and 22 respectively. Detailed reasons for time over-run have been provided in the petition which mostly related to land acquisition, law and order situations, RoW issues and obstruction from JUSNL’s transmission line in Daltonganj. The reasons for time over-run are identical to the delay pertaining to assets covered under Petition No. 105/TT/2018, wherein the Commission has already condoned the entire time over-run vide order dated 21.11.2019.

i. De-capitalisation of reactors has been done from “Transmission System Associated with System Strengthening in NR for Sasan and Mundra UMPP in Northern Region” in Petition No. 469/TT/2020. Based on the recent directions of



the Commission, one week time may be granted to rectify Form-10B and other forms pertaining to the de-capitalisation.

3. The learned counsel for BSPHCL sought two weeks' time to file reply and made the following oral submissions:

a. Appeal by way of DFR No. 184 of 2020 has been filed by South Bihar Power Distribution Company Ltd. & Others before the Appellate Tribunal for Electricity against the Commission's order dated 24.2.2017 in Petition No. 85/TT/2015 to the extent of approval of COD of Assets-1, 2 and 3 in the said petition which correspond to Assets 2-4 of the present petition and condonation of time over-run of Assets-2, 3, 4 and 5 of the present petition.

b. The Petitioner has not submitted the break-up of cost of instant Assets-13 and 20 in terms of order dated 20.9.2017 in Petition No. 278/TT/2015.

c. The Petitioner has relied on the Commission's order dated 21.11.2019 in Petition No. 105/TT/2018 with regard to condonation of time over-run. In Petition No. 105/TT/2018, the total time over-run stated to be out of the control of the Petitioner was only 2324 days only. Therefore, the Petitioner still has to provide an explanation for the remaining time over-run of 141 days for Asset-22.

d. ACE claimed for Assets-14 and 16 needs to be further clarified by the Petitioner.

e. The Petitioner cannot claim floating rate of interest.

f. IEDC has to be claimed in accordance with the relevant regulations.

g. Details of year wise discharge of Initial Spares have to be submitted.

h. As the Initial Spares pertain to 2009-14, 2014-19 and 2019-24 tariff periods, the relevant regulations pertaining to the corresponding tariff periods have to be taken into account while entertaining the claim for Initial Spares.

i. MAT rate has to be in accordance with the relevant Regulations.

j. Issue of transmission charges from COD till the commissioning of the downstream network with respect to instant Asset-2: Combined assets of LILO of Ckt I of 400 kV D/C Kahalgaon-Biharsharif at Lakhisarai alongwith associated bays; 400/132 kV 200 MVA ICT I at Lakhisarai Sub-station alongwith associated bays; 400 kV 80 MVAR Bus Reactor alongwith associated bays at Lakhisarai Sub-station; and 2 nos 132 kV line bays at Lakhisarai Sub-station, Asset-3: 400/132 kV 200 MVA ICT II alongwith associated bays at Lakhisarai Sub-station and Asset-4: LILO of Ckt II of 400 kV D/C Kahalgaon-Biharsharif at Lakhisarai alongwith associated bays with 2 nos of 50 MVAR line reactor corresponding to Assets-1, 2 and 3 respectively in Petition No. 85/TT/2015 is also under challenge in DFR No. 184 of 2020.



4. The Commission directed BSPHCL to submit its reply on affidavit by 24.9.2021 with advance copy of the same to the Petitioner and the Petitioner to file rejoinder, if any, by 4.10.2021. The Commission further directed the parties to adhere to the specified timeline and observed that no extension of time shall be granted.

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

By order of the Commission

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

