

CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi

Petition No. 390/TT/2019

Subject : Petition for revision of transmission tariff of the 2004-09 and 2009-14 tariff periods, truing up of transmission tariff of the 2014-19 tariff period and determination of transmission tariff of the 2019-24 tariff period for 02 numbers of assets under Bihar Grid Strengthening Scheme in Eastern Region

Date of Hearing : 20.4.2021

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

Petitioner : Power Grid Corporation of India Ltd. (PGCIL)

Respondents : Bihar State Power (Holding) Company Ltd. (BSPHCL) & 5 Others

Parties Present : Ms. Rohini Prasad, Advocate, BSPHCL
Shri S.S. Raju, PGCIL
Shri B. Dash, PGCIL
Shri V.P. Rastogi, PGCIL
Shri A.K. Verma, PGCIL
Shri D.K. Biswal, PGCIL

Record of Proceedings

Case was called out for virtual hearing.

2. The representative of the Petitioner has made the following submissions:

a. Instant petition is filed for revision of transmission tariff of the 2004-09 and 2009-14 tariff periods, truing up of transmission tariff of the 2014-19 tariff period and determination of transmission tariff of the 2019-24 tariff period for the following assets under Bihar Grid Strengthening Scheme in Eastern Region:

Asset-I: 315 MVA, 400 kV ICT 3rd at Bihar Shariff along with associated bays; and

Asset-II: Bihar Grid Strengthening Scheme excluding 315 MVA ICT at Bihar Shariff Sub-station;

b. Asset-I and Asset-II were put into commercial operation on 1.4.2004 and 1.11.2004 respectively;

c. No Additional Capital Expenditure is claimed in the 2014-19 and 2019-24 tariff periods;



d. The trued up tariff for the 2014-19 tariff period and tariff for the 2019-24 tariff period is claimed based on the capital cost admitted vide order dated 7.12.2015 in Petition No. 199/TT/2014;

e. There is de-capitalisation due to replacement of 315 MVA ICT with 500 MVA at Sasaram (Pusauli) Sub-station w.e.f. 2.4.2016 under ERSS XII project covered under Petition No. 69/TT/2016 and after replacement, 315 MVA ICT was diverted to Durgapur Sub-station, commissioned on 9.6.2019 and further capitalized under ERSS XVII Part B project;

f. Revised tariff for the 2004-09 and 2009-14 tariff periods is claimed on account of change in Interest on Loan (IoL) and Interest on Working Capital to the extent of revision in IoL and in Maintenance Spares; and

g. BSPHCL has submitted its reply vide affidavit dated 2.3.2021 and has raised identical issues as were raised in Petition Nos. 332/TT/2019 and 489/TT/2019 and requested the Commission that the rejoinders filed by the Petitioner in the *afore-mentioned* petitions may be considered in the instant petition as well.

3. The learned counsel for BSPHCL submitted that BSPHCL has filed its reply and made the following brief submissions:

a. Relying on the order dated 23.5.2008, 7.8.2009 and 23.5.2011 in Petition No. 31/2007, Petition No. 78/2009 and Petition No. 124/2010 respectively, the tariff in this petition has been worked out considering the normative loan and normative repayment, which is in line with APTEL judgment dated 22.1.2007 in Appeal No. 81/2005;

b. Relying on the order dated 17.6.2020 in Petition No. 301/TT/2019, the beneficiaries should not be burdened with the carrying cost for the difference in the tariff allowed earlier and allowed vide order dated 17.6.2020;

c. In view of provisions of Regulation 25(3) of the 2014 Tariff Regulations, impermissible amounts claimed by the Petitioner may not be granted such as penalty, if any, arising on account of delay in deposits or short deposits of tax amounts and the actual tax paid has to be duly adjusted for any refund of tax and the instant petition is silent on this and needs clarification;

d. Grossed up rate of return on equity has to be trued up only on the basis of actual tax paid and Regulation 25(3) of the 2014 Tariff Regulations does not contemplate the claim of differential tariff on this account directly from the beneficiaries;

e. Regulation 56 of the 2019 Tariff Regulations contemplates recovery of statutory charges by a generating company and not by a transmission licensee and, therefore, the claim of recovery made by the Petitioner is premature; and

f. Regulation 32 of the 2019 Tariff Regulations does not contemplate the claim pertaining to the change in the floating rate of interest, if any, to be claimed directly from the beneficiaries and the Petitioner has not made any pleading(s) supporting their prayer towards recovery of deferred tax liability.



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

By order of the Commission

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

