

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 416/TT/2019

- Subject** : Petition for truing up of transmission tariff of 2014-19 period and determination of transmission tariff of 2019-24 period for 220/132 kV 100 MVA ICT and associated bays at Raebareli under “Augmentation of 220/132 kV Transformation Capacity at Raebareli by 1x100 MVA Transformer” in Northern 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** : Rajasthan Rajya Vidyut Prasaran Nigam Ltd.
& 16 Others
- Parties present** : Shri R.B. Sharma, Advocate, BRPL
Shri Mohit Mudgal, Advocate, BYPL
Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri B. Dash, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Ms. Megha Bajpeyi, BRPL

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 truing up of transmission tariff of 2014-19 period and determination of transmission tariff of 2019-24 period in respect of 220/132 kV 100 MVA ICT and associated bays at Raebareli. The subject asset was declared under commercial operation on 1.10.2011.



- b. Tariff for 2014-19 period was allowed by the Commission vide order dated 22.2.2016 in Petition No. 512/TT/2014. No Additional Capital Expenditure is claimed in 2014-19 and 2019-24 tariff periods. There is impact of MAT rates during 2014-19 tariff period. Rejoinder to the reply of UPPCL has been filed vide affidavit dated 1.9.2020. The Petitioner has prayed for a week's time to file rejoinder to the reply of BRPL as BRPL filed its reply recently.
3. Learned counsel for BRPL has made detailed submissions and took the Commission to the reply of BRPL filed vide affidavit dated 9.3.2021. The main submissions of BRPL are as under:
 - a. The tariff trued up for the tariff period 2009-14 is not in accordance with Regulation 6(1) of the 2009 Tariff Regulations. The claim for grossing up of RoE can be allowed on submission of documents by the Petitioner clearly indicating the payment of tax on its transmission business. In response to an RTI application of certain electricity consumer from Delhi whose details are given in Annexure-1 to the reply of BRPL in Petition No. 416/TT/2019, it was informed by the Petitioner that the Petitioner did not pay any tax to Income Tax Authorities during 2009-14 and 2014-19 tariff periods. The Petitioner has not carried out truing up of the grossed-up rate of RoE on annual basis despite it being a statutory requirement. Form-3 submitted by the Petitioner indicates the effective tax rate on transmission business as nil. The Petitioner is entitled and is claiming tax benefits of higher depreciation during initial period under Income Tax Act, 1961 and is also availing the benefits of the Tax Holiday as per Section 80IA of the Income Tax Act, 1961. Such benefits under Income Tax Act, 1961 are permissible only in respect of its core services related to transmission business and not otherwise.
 - b. Form 3 submitted in its present form does not permit grossing up of RoE for truing up period. The Petitioner has claimed grossing up of RoE in various petitions including Petition No. 24/TT/2020 without placing on record the documents relating to actual tax paid. It is obligatory for the Petitioner to place on record region-wise corporate audited balance sheet, profit and loss accounts with all schedules and annexures of new Transmission System & Communication System for the relevant years as it is a statutory requirement.
 - c. The Petitioner has opted for deemed cost exemption as per para D7 AA of IND AS 101 'First Time Adoption' of Indian Accounting Standard. Indian Accounting Standards is for the purposes of Companies Act, 2013 and not for the purposes of the 2014 Tariff Regulations or 2019 Tariff Regulations. Adoption of Indian Accounting Standards is increasing the tariff.
4. Learned counsel for BYPL adopted the submissions of BRPL.



5. The Commission allowed the Petitioner to file rejoinder to the reply of BRPL by 19.3.2021. The Commission also directed the Petitioner to adhere to the specified timeline and observed that no extension of time shall be granted. The Commission also directed the parties to complete the pleadings in all future cases well in time and observed that no indulgence would be allowed in this regard.

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

By order of the Commission

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

