

CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi

Petition No. 459/TT/2020

- Subject** : Transmission tariff for 2014-19 tariff period and determination of transmission tariff for 2019-24 tariff period for Replacement of 1x315 MVA, 400/220 kV ICT with 1x500 MVA, 400/220 kV ICT at 400/220 kV Lucknow Sub-station under Transmission System for “Northern Region System Strengthening Scheme-XL” in the 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. (PGCIL)
- Respondents** : UPPCL and 16 others
- Parties Present:** : Shri R.B. Sharma, Advocate, BRPL
Shri Mohit Mudgal, Advocate, BYPL
Ms. Megha Bajpeyi, BRPL
Shri A.K. Verma, PGCIL
Shri S.S. Raju, PGCIL
Shri B. Dash, PGCIL
Shri Ved Rastogi, PGCIL

Record of Proceedings

Case was called out for virtual hearing.

2. The representative of the Petitioner submitted that the instant petition is filed for truing up of transmission tariff of 2014-19 tariff period and determination of transmission tariff of 2019-24 tariff period for Replacement of 1x315 MVA, 400/220 kV ICT with 1x500 MVA, 400/220 kV ICT at 400/220 kV Lucknow Sub-station under Transmission System for “Northern Region System Strengthening Scheme-XL”. The COD of the asset was 8.3.2019 and there is no time over-run and cost over-run in case of the instant asset. The Petitioner has submitted that the asset was put into commercial operation before the scheduled COD on the request of UPPTCL and the detailed justification for the same has been submitted in affidavit dated 9.3.2021. The information sought vide the Technical Validation letter and further additional information has been filed vide affidavit dated 23.11.2020 and 9.3.2021 respectively.

3. In response to a query of the Commission regarding de-capitalisation, shifting of the old asset and the justification for shifting the 1x315 MVA, 400/220 kV ICT, the representative of the Petitioner submitted that the de-capitalisation of 1x315 MVA, 400/220 kV has been



covered in Petition No. 290/TT/2020 and tariff is claimed for only new ICT in the instant petition. The Commission observed that whenever an asset or element is moved from one place to another with the consent of the beneficiaries in the RPC, it should be de-capitalised from the place it is removed and capitalised in the place where it is placed as per the applicable tariff regulations. The Commission also observed that the cost of shifting and the carrying cost, if any, will be considered in petition where re-capitalisation is claimed, on the basis of the applicable tariff regulations as per the prevailing practice after prudence check. The Commission directed to make claims accordingly in all future cases. In response to another query, the representative of the Petitioner submitted that the old bay is being used for the new ICT and transmission tariff is claimed in the instant petition.

4. Learned counsel for BRPL submitted that reply to the petition was filed on 9.3.2021. He submitted that replacement of 1x315 MVA, 400/220 kV ICT should be considered in terms of Regulation 14(4) of the 2014 Tariff Regulations and the original cost of asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan and should be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised. He raised the issues like tax on transmission business, Indian Accounting Standards and Return on Equity and submitted that reply filed may be considered.

5. The learned counsel for BYPL adopted the submissions as made by the learned counsel for BRPL.

6. The Commission directed the Petitioner to file its rejoinder to reply of BRPL, if any, by 17.3.2021 and observed that no further extension of time shall be granted.

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

By order of the Commission

**Sd/-
(V. Sreenivas)
Dy. Chief (Law)**

