

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 498/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 period and determination of transmission tariff of 2019-24 period for 132 kV S/C Ranganadi-Ziro Transmission system in North Eastern Region.

Date of Hearing : 18.5.2021

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

Petitioner : Power Grid Corporation of India Ltd.

Respondents : Assam Power Distribution Company Ltd.
& 6 Others

Parties present : Shri S. S. Raju, PGCIL
Shri A. K. Verma, PGCIL
Shri B. Dash, PGCIL
Shri Ved Prakash Rastogi, 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 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 in respect of 132 kV S/C Ranganadi-Ziro Transmission system in North Eastern Region.
 - b. The transmission asset was put into commercial operation on 1.4.2004.
 - c. Revised transmission tariff of the 2004-09 tariff period is claimed on account of change in Interest on Loan (IoL) and Interest on Working Capital (IWC) to the extent of revision in IoL and Maintenance Spares owing to the judgments dated 22.1.2007 and dated 13.6.2007 in Appeal Nos. 81 of 2005 and 139 of 2006 respectively of APTEL read with the Commission's order dated 18.1.2019 in Petition No.121 of 2007.

d. Transmission tariff of the 2009-14 tariff period was trued-up and transmission tariff of the 2014-19 tariff period was approved by the Commission vide order dated 28.1.2016 in Petition No. 247/TT/2014. The ACE during 2014-15 and 2015-16 was admitted and allowed during the 2014-19 tariff period on account of balance and retention payments towards installation of hydrant systems and fire alarm.

e. ACE incurred during the 2014-19 tariff period and projected ACE for the 2019-24 tariff period is on account of installation of fire alarm systems, Hydrant systems and DG Sets. ACE claimed in 2019-20 and 2020-21 is due to the payments made to the contractors on closure of the contract.

f. The information sought through Technical Validation letter was filed vide affidavit dated 30.7.2020. No reply has been received from any of the respondents.

3. In response to a query of the Commission, the representative of the Petitioner submitted that the ACE claimed in 2019-20 and 2020-21 is on account of balance and retention payments towards fire-fighting and alarm system installed in 2014. He submitted that the delay in making the payments was due to the delay in raising the bills by the contractors and closure of contracts. The Commission observed that seven years is too long a period for closure of contracts and settling the bills and directed the Petitioner to put in place a mechanism for speedy closure of contracts and settling of the bills. The Commission further observed that the contracts should be closed with a reasonable period of time, say, one year from the date of completion of work. The Commission also directed the representative of the Petitioner to bring this aspect to the notice of its Management.

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

By order of the Commission

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