

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 135/TT/2020

Coram:

**Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri P. K. Singh, Member**

Date of Order: 24.12.2021

In the Matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and truing up of transmission tariff of 2014-19 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 in respect of the Combined Asset associated with "Western Region Strengthening Scheme VI" in Western Region.

And in the matter of:

Power Grid Corporation of India Limited,
"Saudamini", Plot No. 2,
Sector 29, Gurgaon - 122 001

....Petitioner

Vs.

1. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur,
Jabalpur - 482 008.
2. Madhya Pradesh Power Transmission Company Limited,
Shakti Bhawan, Rampur,
Jabalpur - 482 008.
3. Madhya Pradesh Audyogik Kendra,
Vikas Nigam (Indore) Limited,
3/54, Press Complex, Agra-Bombay Road,
Indore - 452 008.
4. Maharashtra State Electricity Distribution Company Limited,
Hongkong Bank Building, 3rd Floor,
M.G. Road, Fort, Mumbai - 400 001.



5. Maharashtra State Electricity Transmission Company Limited,
Prakashganga, 6th Floor, Plot No. C-19, E-Block,
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051.
6. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan, Race Course Road,
Vadodara - 390 007.
7. Electricity Department,
Administration of Daman & Diu,
Daman - 396 210.
8. Electricity Department,
Government of Goa, Vidyut Bhawan,
Near Mandvi Hotel, Panaji,
Goa - 403 001.
9. DNH Power Distribution Corporation Limited,
Vidyut Bhawan, 66 kV Road, Near Secretariat Amla,
Silvassa - 396 230.
10. Chhattisgarh State Power Transmission Company Limited,
Office of The Executive Director (C&P),
State Load Despatch Building,
Dangania, Raipur - 492 013.
11. Chhattisgarh State Power Distribution Company Limited,
P.O. Sunder Nagar, Dangania, Raipur,
Chhattisgarh - 492 013.

...Respondent(s)

For Petitioner : Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri D.K. Biswal, PGCIL
Shri Ved Prakash Rastogi, PGCIL

For Respondents : Shri Anindya Khare, MPPMCL

ORDER

The present petition has been filed by Power Grid Corporation of India Limited for truing up of the tariff for the period from COD to 31.3.2019 under the Central



Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and determination of tariff for the period from 1.4.2019 to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of the following transmission assets forming part of Combined Asset associated with “Western Region Strengthening Scheme VI” in Western Region (hereinafter referred to as “the transmission project”):

Asset	Asset details
Asset A1	400 kV 315 MVA Transformer at Bina
Asset B1	400 kV D/C Pirana-Dehgam TL along with associated bays at Pirana and Dehgam Sub-station and 400 /220 kV Pirana Sub-station (New)
Asset B2	ICT-I (1X315MVA) 400/220 kV at Pirana Sub-station along with associated bays
Asset B3	ICT-II (1X315MVA) 400/220 kV at Pirana Sub-station alongwith associated Bays
Asset B4	Bina Bay Extension with 1x315 MVA ICT along with associated 400 kV and 220 kV Bays
Asset B5	400/220 kV Gwalior (Extension) Sub-station with 1x315MVA ICT along with associated 400/220 kV Bays
Asset C1	ICT III at Pune Sub-station along with bay extension
Asset C2	ICT III at Wardha Sub-station along with bay extension
Asset D	ICT III at Raipur Sub-station along with bay extension 400/220 kV 315 MVA ICT

Background of the case

2. The transmission assets were put under commercial operation in the 2009-14 tariff period. Asset C2, i.e. “ICT III at Wardha Sub-station along with bay extension” was put under commercial operation (COD) on 1.12.2012. The transmission tariff from 1.2.2012 to 31.3.2014 for Asset C2 was determined vide order dated 17.8.2015 in Petition No. 109/TT/2012. The transmission tariff allowed for 2009-14 period in respect of Asset C2 was trued up and the transmission tariff for 2014-19 period was allowed vide order dated 2.11.2017 in Petition No. 47/TT/2017.



3. It is observed that Asset C2 was shifted from Wardha sub-station to Solapur sub-station (and it was erected at Solapur sub-station on 2.11.2015). Accordingly, Asset C2 was to be decapitalised from the date it was removed from Wardha sub-station and the Petitioner should have claimed tariff for the same at Solapur sub-station from 2.11.2015. However, the Petitioner has not done the de-capitalization, and rather sought truing up of the tariff allowed for Asset C2 for the 2014-19 tariff period in the present petition. It is also observed that the tariff for the shifted ICT III from Wardha sub-station to Solapur sub-station for the 2014-19 tariff period has already been trued-up and tariff of 2019-24 period has been determined vide order dated 11.2.2021 in Petition No. 167/TT/2020.

Hearing dated 22.6.2021

4. During the course of hearing on 22.6.2021, in response to a query of the Commission, the representative of the Petitioner submitted that Asset C2 (the ICT III at Wardha sub-station along with bay extension) has not been decapitalised in the present petition as it was transferred to Solapur sub-station in 2015. Relevant portion of record of proceedings of hearing dated 22.6.2021 is extracted as under:

“3. In response to a query of the Commission regarding shifting of any asset, the representative of the Petitioner submitted that 500 MVA transformer from Wardha Substation (COD on 1.1.2012) was shifted to Solapur Sub-station in 2015 as agreed in Standing Committee Meeting.

4. In response to another query of the Commission on de-capitalization at Wardha Substation, the representative of the Petitioner submitted that no de-capitalization has been done in this petition as the transfer was done in 2015. The tariff of shifted 500 MVA transformer from Wardha sub-station to Solapur sub-station for 2014-19 period was trued-up and tariff of 2019-24 period was determined by the Commission vide order dated 11.2.2021 in Petition No. 167/TT/2020

5. In response to another query of the Commission on claiming the tariff of the transformer at Solapur sub-station from the transmission system for Wardha sub-station, the representative of the Petitioner submitted that the capital cost is being claimed in this petition but O&M Expenses were claimed in the afore-mentioned petitions.



6. The Commission directed the Petitioner to de-capitalise the 500 MVA transformer from Wardha Sub-station and to also clearly enumerate the adjustment of capital cost with respect to the de-capitalization of assets in this petition on an affidavit by 15.7.2021 with an advance copy to the Respondents and further observed that no extension of timeline shall be granted and the matter shall be decided based on the available records.”

5. We note from the above-quoted extract that the Commission directed the Petitioner to de-capitalize Asset C2 and to also clearly enumerate the adjustment of capital cost with respect to the de-capitalization on an affidavit by 15.7.2021 with an advance copy to the Respondents. However, the Petitioner has not filed the details of the de-capitalization of Asset C2 even after lapse of five months.

6. As per Form-5 submitted by the Petitioner, the capital cost of the 500 MVA ICT at Wardha sub-station (Asset-C2) is covered under present petition. The Petitioner has not claimed the cost of the 500 MVA ICT at Solapur sub-station (Asset-II) in Petition No. 167/TT/2020. The Commission vide order dated 11.2.2021 in Petition No. 167/TT/2020 granted tariff only for the ICT bays wherein the cost of the 500 MVA ICT is not included. As regards the O&M Expenses of 500 MVA ICT, the Petitioner has claimed O&M Expenses at Solapur sub-station and has not claimed any O&M Expenses for 500 MVA ICT at Wardha sub-station. Therefore, we are of the view that the Petitioner should de-capitalise the cost of 500 MVA ICT at Wardha sub-station and re-capitalise the cost of 500 MVA ICT at Solapur sub-station. The Petitioner has not submitted the written down value of Asset C2 to adjust the capital cost of the Combined Asset. Therefore, we are not inclined to grant tariff for the Combined Asset as prayed by the Petitioner in the present petition. The Petitioner is directed to de-capitalise Asset C2 and remove the same from the instant Combined Asset and file a fresh petition within 30 days from issue of this order.



7. In view of the above discussion, Petition No. 135/TT/2020 is disposed of.

sd/-
(P. K. Singh)
Member

sd/-
(I.S. Jha)
Member

sd/-
(P. K. Pujari)
Chairperson

