

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Review Petition No. 2/RP/2020
in Petition No. 182/TT/2018

Coram:

Shri P.K. Pujari, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member

Date of Order: 01.02.2021

IN THE MATTER OF:

Review Petition under Section 94(1)(f) of the Electricity Act, 2003 read with Regulation 103(1) of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for review of order dated 1.11.2019 of the in Petition No. 182/TT/2018

AND

IN THE MATTER OF:

Power Grid Corporation of India Ltd.,
"Saudamini", Plot No. 2,
Sector-29, Gurgaon- 122 001 (Haryana)

...Review Petitioner

Versus

1. Madhya Pradesh Power Management Company Ltd.,,
Shakti Bhawan, Rampur,
Jabalpur- 482 008.
2. Madhya Pradesh Power Transmission Company Ltd.,
Shakti Bhawan, Rampur,
Jabalpur- 482 008.
3. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd.,
3/54, Press Complex, Agra-Bombay Road,
Indore-452 008.



4. Maharashtra State Electricity Distribution Company Ltd.,
Hongkong Bank Building, 3rd Floor,
M.G. Road, Fort,
Mumbai- 400 001.
5. Maharashtra State Electricity Transmission Co. Ltd.,
Prakashganga, 6th Floor, Plot No. C-19, E-Block,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400 051.
6. Gujarat Urja Vikas Nigam Ltd.,
Sardar Patel Vidyut Bhawan, Race Course Road,
Vadodara- 390 007.
7. Gujarat Energy Transmission Corporation Ltd.,
Sardar Patel Vidyut Bhawan, Race Course Road,
Vadodara- 390 007.
8. Electricity Department, Government of Goa,
Vidyut Bhawan, Panaji, Near Mandvi Hotel,
Goa- 403 001.
9. Electricity Department,
Administration of Daman and Diu,
Daman- 396 210.
10. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T., Silvassa- 396 230.
11. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania,
Raipur, Chhattisgarh- 492 013.
12. Chhattisgarh State Power Transmission Co. Ltd.
State Load Despatch Building,
Dangania, Raipur – 492 013.
13. Chhattisgarh State Power Distribution Co. Ltd.
P.O. Sunder Nagar, Dangania,
Raipur Chhattisgarh-492 013.

... Respondents



Order

Power Grid Corporation of India Ltd. (hereinafter called as the Review Petitioner/PGCIL) has filed the instant Review Petition seeking review of the Commission's Order dated 1.11.2019 in Petition No. 182/TT/2018 wherein the Commission determined the transmission charges for the new 125 MVAR Bus Reactor at Bina from its COD to 31.3.2019, installed as a replacement of the earlier 63 MVAR Bus Reactor and de-capitalised the replaced 63 MVAR Bus Reactor.

Background

2. The Petitioner (PGCIL) filed Petition No. 182/TT/2018 for determination of transmission tariff for "400 kV, 125 MVAR Bus Reactor at Bina" (hereinafter referred to as the "subject asset") under "Installation of Bus Reactor and ICT in Western Region" for the 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014. The subject asset replaced the existing 63 MVAR Bus Reactor at Bina. The tariff for the subject asset was allowed vide order dated 1.11.2019 in Petition No.182/TT/2018. The Commission in order dated 1.11.2019 observed that as the replaced 63 MVAR Bus Reactor at Bina is not in use, the capital cost of the replaced 63 MVAR Bus Reactor at Bina should be excluded from the capital cost of the subject asset. Accordingly, the cost of the replaced 63 MVAR Bus Reactor at Bina was deducted from the capital cost of the subject asset while allowing tariff for the 2014-19 tariff period. Aggrieved with the order dated 1.11.2019, wherein the capital cost of the replaced 63 MVAR Bus Reactor is excluded from the capital cost of the subject asset, the PGCIL has filed the instant review petition.



3. The Review Petitioner has submitted that the order dated 1.11.20019 has following errors apparent on the face of record:-

a) In compliance to the direction of the Commission vide Order dated 22.11.2017 in Petition No. 208/TT/2016, the Petitioner filed Petition No. 182/TT/2018 and furnished the details for the purpose of decapitilisation of the replaced asset praying that the tariff for replaced 63 MVAR Bus reactor from Bina may be continued and that the same shall be trued up at the end of 2014-19 tariff block. It was also requested that tariff of 400 kV, 125 MVAR Bus Reactor at Bina (new asset) may also be allowed as the Petitioner is eligible for transmission tariff for spare reactor as the same is specifically agreed to in the 35th Standing Committee Meetings of Power System Planning in Western Region held on 3.1.2013 and 22nd Western Regional Power Committee held on 26.2.2013.

b) The instant asset was to be used as Regional Spare and by virtue of the said order, the said asset viz. 63 MVAR Bus Reactor would not recover tariff even though it is in use.

c) The replacement of said asset was not due to any defect in the Bus Reactor, but it is only for augmentation and the asset has been in use only for 8 years. The Western Region beneficiaries also agreed to use it as Regional Spare.

4. The Review Petitioner has further submitted that the issue of using the replaced assets as regional spares was considered by the Committee, constituted by the Commission in Petition No. 38/TT/2017. The Committee in its report recommended that in case of the replaced spares that are less than 15 years old and utilized in new project, the gross value of the asset replaced should be decapitalised from the original project and capitalized in the new project.



5. The matter was heard through Video Conference on 16.7.2020.

6. The Review Petitioner during the course of the hearing submitted that the Commission in order dated 1.11.2019 in Petition No. 182/TT/2018, while determining the transmission tariff for the subject asset, has erroneously decapitalized the 63 MVAR Bus Reactor on the premise that the same is not in use. However, in the 35th Standing Committee Meeting of Power System Planning in Western Region and 22nd Western Regional Power Committee Meeting, it was agreed that the 63 MVAR Bus Reactor would be used as regional spare. It has been submitted that the said reactor has only completed 8 years as on date of augmentation and there was no fault in the bus reactor. Accordingly, the same is entitled for tariff as it is being used as regional spare.

7. We have considered the submissions of the Review Petitioner and are of the view that the Review Petitioner has made out a prima facie case on the issue of decapitalization of the 63 MVAR Bus Reactor. Accordingly, we admit the Review Petition. Issue notice to the Respondents and list the matter for final hearing.

8. The Review Petitioner is directed to serve a copy of the Review Petition on the Respondents by 8.2.2021 and the Respondents are directed to file their reply by 22.2.2021. The Review Petitioner shall file the rejoinder, if any, by 8.3.2021. The parties are directed to comply with above directions within the specified timeline and no extension of time shall be granted.



9. The next date of hearing will be intimated to the parties in due course of time.

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

sd/-
(P. K. Pujari)
Chairperson

