

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 12/RP/2022

- Subject** : Review Petition under Section 94(1)(f) of the Electricity Act, 2003 read with Regulation 103 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and Order 47 Rule 1 of the Code of Civil Procedure, 1908, seeking review/modification of the order dated 28.2.2022 passed by this Hon'ble Commission in the Petition No. 308/TT/2020
- Petitioner** : North East Transmission Company Ltd (NETCL)
- Respondents** : Power Grid Corporation of India Ltd. & Ors
- Parties Present** : Shri M. G. Ramachandran, Senior Advocate, NETCL
Shri Shubham Arya, Advocate, NETCL
Shri Ravi Nair, Advocate, NETCL
Shri. Satyajit Ganguly, NETCL
Shri Rajesh Gupta, NETCL
- Date of Hearing** : 12.8.2022
- Coram** : Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member

Record of Proceedings

Case was called out for virtual hearing.

2. The learned senior counsel for the Review Petitioner submitted that the instant petition has been filed seeking review and modification of the order dated 28.2.2022 in Petition No. 308/TT/2020 whereby tariff for 2014-19 tariff period was trued up and tariff for 2019-24 period was determined in respect of the **Asset I**: 400 kV D/C Platana-Silchar Twin Moose Conductor Transmission line- 247.30 km, **Asset II**: 400 kV D/C Silchar- Byrnihat (one circuit on D/C towers) Twin Moose Conductor Transmission Line- 214.41 km, **Asset III**: 400 kV D/C Byrnihat-Bongaigaon (one circuit on D/C towers) Twin Moose Conductor Transmission Line-201 km, **Asset IV**: 400 kV D/C Silchar- Azara (one circuit on D/C towers) Twin Moose Conductor Transmission Line-256.41 km, Asset V: 400 kV D/C Azara-Bongaigaon (one circuit on D/C towers) Twin Moose Conductor Transmission Line-159 km. He made the following submissions during the course of hearing:

- a) In order dated 28.2.2022, the Commission while truing up the Interest on Loan for 2014-19 tariff period has considered net interest rate after deducting the rebate from the interest rate. However, there are arithmetical errors/ mismatch



in the interest rate considered by the Commission and furnished by the Review Petitioner as per its audited accounts for financial years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19. The Commission in order dated 28.2.2022 has considered the rate of interest @12.25% whereas as per the audited accounts it is 12.22%. Thus, for two financial years i.e 2014-15 and 2015-16, rate of interest has been considered more and for three financial years i.e 2016-17, 2017-18 and 2018-19, the rate of interest considered is less. A table comparing the interest rates considered by the Commission and submitted by the Review Petitioner has been filed in the instant review petition.

- b) The Commission further in order dated 28.2.2022, while grossing up of the rate of the Return on Equity has inadvertently considered the tax rate considered in order dated 27.4.2020 in Petition No. 274/TT/2019, which pertain to Power Grid Corporation of India Limited. The rate as considered in the order dated 27.4.2020 is different from the actual effective MAT rate paid by the Review Petitioner. The same can be verified from the affidavit dated 5.10.2020 submitted by the Review Petitioner wherein the details of actual tax paid along with the details of MAT rate certified by the Auditor has been furnished.
- c) The Interim Application No. 56/IA/2020 is filed by the Review Petitioner seeking to bill the beneficiaries as per the tariff claimed in Petition No. 308/TT/2020 for 2019-24 tariff period. The excess tariff recovered from the beneficiaries in terms of the order dated 28.2.2022 has to be refunded to the beneficiaries along with the applicable interest as per the 2019 Tariff Regulations. The Review Petitioner had offered to refund the excess amount to the beneficiaries through CTU to reduce the interest liability. The Review Petitioner also requested CTU to bill beneficiaries as per its claim in Petition No.308/TT/2020, however the same was declined in the absence of an order by the Commission in this regard. During the pendency of the matter before this Commission, the Review Petitioner is required to bear a higher carrying cost burden between 10.50% to 12.05% without any fault of its. Accordingly, requested the Commission to exercise its power to relax under Regulation 76 of the 2019 Tariff Regulations to relax the provisions of Regulation 10(7) of the 2019 Tariff Regulations to exempt the Review Petitioner from paying carrying cost to the beneficiaries.

3. After hearing the learned senior counsel for Review Petitioner, the Commission reserved order in the matter.

By order of the Commission

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(V. Sreenivas)
Joint Chief (Law)

