

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. : 197/TT/2021

Subject : Petition for truing up of transmission tariff of the 2014-19 tariff period and determination of transmission tariff of the 2019-24 tariff period for 400 kV D/C JPL Tamnar-PGCIL, Raipur Transmission Line and 400/220/33 KV sub-stations which includes 04 Numbers 400 kV bays (02 Numbers line bays and 02 Numbers transformer bays), 02 Numbers 220 kV transformer bays and 02 Numbers 315 MVA 440/220 kV Transformers covered under Licensed Transmission Business along with determination of transmission tariff of the 2019-24 tariff period for 02 Numbers 400 kV line bays, 02 Numbers 400 kV tie bays and 2x50 MVA non-switchable at Raipur Substation of PGCIL

Date of Hearing : 14.9.2022

Coram : Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P.K. Singh, Member

Petitioner : Jindal Power Limited (JPL)

Respondents : Madhya Pradesh Power Management Company Limited (MPPMCL) & 27 Ors.

Parties present : Shri Sharansh Shaw, Advocate, JPL
Ms. Divya Chaturvedi, Advocate, JPL
Shri Ravi Sharma, Advocate, MPPMCL

Record of Proceedings

The learned counsel for the Petitioner submitted that the instant petition has been filed for determination of transmission tariff of 2014-19 tariff period and determination of transmission tariff of 2019-24 tariff period for 400 kV D/C JPL Tamnar-PGCIL Raipur Transmission Line and 400/220/33 kV sub-stations which includes 04 Numbers 400 kV bays (02 Numbers line bays and 02 Numbers transformer bays), 02 Numbers 220 kV transformer bays and 02 Numbers 315 MVA 440/220 kV Transformers (“the transmission assets”) covered under Licensed Transmission Business of the Petitioner along with determination of transmission tariff of 2019-24 tariff period for 02 Numbers 400 kV line bays, 02 Numbers 400 kV tie bays and 2x50 MVA non-switchable at Raipur Sub-station of PGCIL (“the missed out transmission assets”). The gist of her submissions is as follows:

- a) The Petitioner had set up a Thermal Power Plant (TPP) at Raigarh, Chhattisgarh having capacity of 1000 (4x250) MW. The Petitioner, as part of



the generation project had established a dedicated transmission line (length 258.40 km) for connecting the generating station upto inter-State transmission system (ISTS) for transmission of power. The generating units of the Petitioner's TPP is also connected with the various units of another group company i.e. Jindal Steel and Power Ltd (JSPL).

- b) The Commission vide order dated 9.5.2011 in Petition No.105/2010 granted transmission license in respect of transmission asset. After the issue of licence, these assets were considered to be part of the ISTS system with effect from 9.5.2011.
- c) The Commission vide order dated 18.12.2015 in Petition No. 135/TT/2012 allowed the tariff for the transmission asset from 9.5.2011 to 31.3.2014 which was subsequently tried-up along with the determination of tariff of 2014-19 tariff period vide order dated 15.12.2017 in Petition No. 313/TT/2014. However, the tariff for the missed transmission assets was disallowed by the Commission as the bays were inadvertently/ erroneously not included in the petition for grant of transmission license.
- d) The Commission in its order dated 15.12.2017 in Petition No. 313/TT/2014 had neither allowed Return on Equity (RoE) nor interest on loan (IoL) and had concluded that there was neither any equity nor debt as on 9.5.2011. The Petitioner has challenged the Commission's order dated 15.12.2017 in the Appellate Tribunal for Electricity ('APTEL') vide Appeal No. 17 of 2018 which is pending adjudication. The pleadings are complete in the matter before the APTEL.
- e) The Petitioner filed Petition No. 262/MP/2017 seeking amendment of the transmission license granted vide order dated 9.5.2011 so as to include the missed out transmission assets, which were inadvertently missed in Petition No.105/2010. The Commission vide order dated 30.4.2019 in Petition No. 262/MP/2017, allowed the amendment of the licence to include the missed out transmission assets with the condition that tariff of the left out transmission assets would be granted from the date of issue of amended license after adjustment of depreciation.
- f) Chhattisgarh State Power Distribution Company Limited (CSPDCL) has filed an Appeal No. 210/2016 before the APTEL against the Commission's order dated 9.5.2011 in Petition No.105/2010 and the same is pending adjudication and the pleadings are complete in the matter before the APTEL.
- g) The Commission had given liberty to the Petitioner in order dated 15.12.2017 in Petition No. 313/TT/2014 to submit segregated accounts, with equity allocated separately for transmission business along with the audited balance sheet of transmission and generation business. Accordingly, the Petitioner has segregated the accounts and has submitted the Auditor's certificate.



- h) The Petitioner has also claimed an amount of Rs 6.40 crore on account of "bus reactor in SWYD" incurred during the 2015-16 and in support of its claim WRPC report and system study report have been placed on record.
- i) Against the provisional tariff order 26.9.2012 in Petition No. 135/TT/2012, an appeal has been filed by the Petitioner before the APTEL and the same is pending before APTEL.
- j) The Petitioner has also prayed that the beneficiaries be directed to make payment of the outstanding amount of Rs.6.60 crore.

3. In response to the query of the Commission regarding the capital cost that has been considered by the Petitioner in the instant petition for the revised/ missed transmission assets, the learned counsel for the Petitioner submitted that in terms of the directions of the Commission in order dated 30.4.2019, the capital cost has been considered after the adjustment of the depreciation. At page 11 of the instant petition, the Petitioner has indicated both capital cost i.e. as per the Petitioner and as per Commission's order dated 30.4.2019. Therefore, the transmission tariff of the missed transmission assets is claimed from the date of issue of amended license and therefore is not included in the true-up for 2014-15 to 2018-19 period.

4. Learned counsel appearing for MPPMCL made a detailed submission referring to their reply. The gist of his submissions are as follows:

- a. The Commission vide order dated 15.12.2017 in Petition No. 313/TT/2014 has appropriately considered the figures for capital cost and debt equity ratio. Therefore, the Petitioner's claim for any excess capital cost, RoE, IoL and depreciation may be rejected.
- b. The Petitioner cannot be granted either RoE for want of investment in equity nor interest on loan in terms of 2014 Tariff Regulations. The Petitioner's claim in instant tariff Petition for 2014-19 on account of RoE and IoL may be disallowed.
- c. The Petitioner's claim of additional capital cost of Rs.6.40 crore on account of "bus reactor in SWYD" in 2015-16 is without conducting any system studies and the recommendation of the RPC. The Report of PGCIL Reactive Power Compensation at JPL Tamnar TPS (4x250 MW) is different and dealt with reactive power flow of Petitioner's TPP's. He further submitted that the study report annexed in the instant petition is also unsigned and is not credible and therefore cannot be relied upon.

5. The Commission directed the Petitioner to submit the following information on affidavit by 6.10.2022:

- a) Weighted Average rate of Interest of Loan during 2014-19 and 2019-24 of the company as a whole.
- b) The Commission vide order dated 30.11.2017 in Petition No. 262/MP/2017 amended the transmission license subject to the outcome of the Appeal No.



- 210 of 2016 in APTEL filed by CSPDCL. What is the current status of Appeal No. 210 of 2016 in APTEL filed by CSPDCL before APTEL;
- c) The Petitioner filed Appeal Nos. 143 of 2017 and 17 of 2018 before APTEL against the Commission's orders allowing tariff for 2009-14 and 2014-19 tariff periods in which RoE and IoL was not allowed. The said appeals are pending adjudication before the APTEL. What is the current Status of Appeal No. 17 of 2018 filed by the Petitioner before APTEL;
 - d) Copy of apportioned approved cost/ revised cost estimates, if any (with reference and date of approval) from the Board of Directors;
 - e) Certificate of capital cost incurred for 2014-19 and 2019-24 tariff period duly certified by the Auditors and additional capital expenditure incurred duly certified by the Auditors or projected to be incurred during the tariff period.

6. Learned counsel for the Petitioner sought time to file its written submissions in the matter. The Commission acceded to the request of the Petitioner and directed the parties to file their written submissions by 11.10.2022 with a copy to other parties. The Commission further directed the parties to comply with the specified timelines and observed that no extension of time shall be granted.

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

By order of the Commission

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

