

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Review Petition No. 13/RP/2023**

in

**Petition No. 92/TT/2022**

**Coram:**

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

**Date of Order : 18.01.2024**

**In the matter of:**

Review Petition under Section 94(1)(f) of the electricity act, 2003 read with Regulation 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for review and modification of the order dated 30.11.2022 in Petition No. 92/TT/2022.

**And in the matter of:**

Power Grid Corporation of India Limited,  
'SAUDAMINI', Plot No-2, Sector-29,  
Gurgaon-122001 (Haryana).

**.....Petitioner**

**Versus**

1. Bihar State Power (Holding) Company Limited,  
(Formerly Bihar State Electricity Board – BSEB),  
Vidyut Bhavan, Bailey Road,  
Patna – 800001.
2. West Bengal State Electricity Distribution Company Limited,  
Bidyut Bhawan, Bidhan Nagar,  
Block DJ, Sector-II, Salt Lake City,  
Calcutta - 700091.
3. Grid Corporation Of Orissa Limited,  
Shahid Nagar,  
Bhubaneswar - 751007.
4. Damodar Valley Corporation,  
DVC Tower, Maniktala,  
Civic Centre, VIP Road,  
Calcutta - 700054.



5. Power Department,  
Government of Sikkim,  
Gangtok - 737101.
6. Jharkhand State Electricity Board,  
In front of Main Secretariat, Doranda,  
Ranchi – 834002.
7. NTPC Limited,  
NTPC Bhawan, Core-7, Scope Complex,  
7, Institutional Area, Lodhi Road,  
New Delhi - 110003.

.....Respondent(s)

**For Petitioner** : Ms. Swapna Sheshadri, Advocate, PGCIL  
Shri Utkarsh Singh, Advocate, PGCIL  
Ms. Surbhi Gupta, Advocate, PGCIL  
Ms. Sneha Singh, Advocate, PGCIL  
Shri B.B. Rath, PGCIL  
Shri Nitish Kumar, PGCIL

**For Respondents** : None

### **ORDER**

Power Grid Corporation of India Limited has filed the instant review under Section 94(1)(f) of the Electricity Act, 2003 (hereinafter referred to as “the 2003 Act”) read with Regulation 17 and 103 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 seeking review and modification of order dated 30.11.2022 in Petition No. 92/TT/2022.

### **Background**

2. The Review Petitioner filed Petition No. 92/TT/2022 for truing up of tariff of the period from COD to 31.3.2019 and determination of tariff for 2019-24 period in respect of the Asset: 400 kV Transmission Line for reconfiguration of Biharsharif Ckt III and IV from present location to the Stage II side of Kahalgaon Switchyard of NTPC(hereinafter



referred to as the “transmission asset”) under “Split Bus arrangement for various Sub-station” in the Eastern Region (hereinafter referred to as “the transmission system”).

3. The Commission approved the order dated 30.11.2022 in Petition No. 92/TT/2022 wherein the transmission tariff of the 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) was trued up and the transmission 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”) was determined in respect of the transmission asset.

4. The Review Petitioner has submitted that the Commission in order dated 30.11.2022 in Petition No. 92/TT/2022 disallowed ₹313.55 lakh of Interest During Construction (‘IDC’) and ₹125.20 lakh of Incidental Expenses During Construction (‘IEDC’), deductible against the disallowed time over-run of 420 days as stated in the order dated 27.12.2021 in Petition No. 75/TT/2020. Despite disallowing the same time over-run of 420 days, the IDC and IEDC disallowed in the order dated 27.12.2021 in Petition No. 75/TT/2020 is ₹207.60 lakh and ₹132.47 lakh respectively. The Review Petitioner requested the Commission to consider the IDC and IEDC values as disallowed in the order dated 27.12.2021 in Petition No. 75/TT/2020 rather than the IDC and IEDC values disallowed in the order dated 30.11.2022 in Petition No. 92/TT/2022.

5. The Review Petitioner has made the following prayers:

*“(i) Review the computation of IDC and revise the allowance of IDC to ₹ 629.32 lakh instead of ₹ 523.37 lakhs;*



*(ii) Review the computation of IEDC and revise the allowance of IEDC to ₹ 392.98 lakhs instead of ₹ 371.39 lakhs;*

*(iii) pass such further order(s) has been fit and proper.”*

6. The matter was admitted on 5.7.2023 and notice was issued to the Respondents. However, none of the Respondents have filed any reply in the matter. Subsequently, the matter was heard on 8.11.2023 and the Commission reserved the order in the matter.

7. The gist of the submissions made by the Review Petitioner in support of its contentions is as follows.

- a. The Commission in order dated 27.12.2021 in Petition No. 75/TT/2020 condoned 1136 days of time over-run out of the time over-run of 1673 days and 420 days of time over-run from 28.6.2014 to 6.6.2015 was not condoned. The Commission further held that NTPC is liable to bear the IDC and IEDC for 117 days from 1.10.2018 to 25.1.2019, which was not to be capitalised.
- b. Out of ₹836.92 lakh of IDC claimed, ₹629.32 lakh was allowed and ₹207.60 lakh was disallowed due to time over-run. Further, out of ₹525.45 lakh of IEDC claimed only ₹392.28 lakh of IEDC was allowed and ₹132.47 lakh was disallowed due to time over-run.
- c. The Review Petitioner filed Petition No. 92/TT/2022 for truing up of the tariff approved in order dated 27.12.2021 in Petition No. 75/TT/2020. Based on the Auditor's Certificate dated 28.1.2022, the Review Petitioner had claimed the same amount of IDC and IEDC approved in order dated 27.12.2021.



- d. Due to computational errors, the IDC and IEDC allowed in order dated 30.11.2022 is lower than the IDC and IEDC allowed in order dated 27.12.2021 in Petition No.75/TT/2020.
- e. Though the Commission has maintained its original order dated 27.12.2021 in Petition No. 75/TT/2020 with regard to the period of time over-run condoned, the IDC and IEDC allowed in order dated 30.11.2022 is ₹523.37 lakh and ₹371.39 lakh respectively as against IDC and IEDC of ₹629.32 lakh and ₹392.98 lakh respectively allowed in the order dated 27.12.2021.

8. The Review Petitioner, vide affidavit dated 31.7.2023, has explained the reasons for mismatch in the opening gross loan in Petition No. 75/TT/2020 and Petition No. 92/TT/2022 and it is as follows:

- a. The difference in the 'gross opening loan amount' as shown in Form 9C of Petition No. 75/TT/2020 and in Petition No. 92/TT/2022 was because, in Petition No. 75/TT/2020, the Review Petitioner has shown the gross opening loan details of actual loans deployed for 400 kV Transmission Line for reconfiguration of Biharsharif Ckt III and IV from present location to the Stage II side of Kahalgaon Switchyard of NTPC under "Split Bus arrangement for various Sub-stations in Eastern Region".
- b. In the truing up stage, i.e. in Petition No. 92/TT/2022, the Review Petitioner has given the loan amount after the reduction of loan amount pertaining to the disallowance of IDC and IEDC which amounted to ₹340.07 lakh (₹207.60 + ₹132.47 lakh) as done by the Commission in the order dated 27.12.2021 in Petition No. 75/TT/2020, since the time over-run was partially not condoned in the order dated 27.12.2021 in Petition No. 75/TT/2020.



- c. While filing the Petition No. 92/TT/2022, the Review Petitioner has factored- in the disallowances made by the Commission in the order dated 27.12.2021 in Petition No. 75/TT/2020 from the capital cost and therefore, the Review Petitioner claimed the tariff on such reduced capital cost. Moreover, to maintain the Debt-Equity Ratio of 70:30, the Review Petitioner is required to reduce the loan amount pertaining to such disallowances while preparing Form 9C in the truing up Petition. Therefore, there was a difference in the 'gross opening loan amount', which was in terms of the order dated 27.12.2021 in Petition No. 75/TT/2020.

### **Analysis and Decision**

9. We have considered the submissions of the Review Petitioner. There is time over-run of 1673 days in case of the transmission asset, out of which the time over-run of 1136 days was condoned and 420 days of time over-run was not condoned and it was held that NTPC is liable to bear the IDC and IEDC for 117 days. The Review Petitioner's grievance is that though the treatment of time over-run in order dated 27.12.2021 and 30.11.2022 is the same, the IDC and IEDC allowed (₹523.37 lakh and ₹371.39 lakh respectively) in order dated 30.11.2022 in Petition No. 92/TT/2022 is lower than the IDC and IEDC (of ₹629.32 lakh and ₹392.98 lakh respectively) allowed in order dated 27.12.2021 in Petition No.75/TT/2020 and the Review Petitioner has contended that it is a computational error which need to be corrected.

10. We have reviewed the computation of IDC and IEDC allowed in order dated 27.12.2021 in Petition No.75/TT/2020 and in order dated 30.11.2022 in Petition No.92/TT/2022. It is observed that in the earlier order dated 27.12.2021 in Petition No. 75/TT/ 2020, certain inadvertent computational errors have crept in because of adoption



of wrong method of calculation of IDC and IEDC, which was a departure from the standard methodology adopted in such cases. This inadvertent mistake was rectified in the order dated 30.11.2022 in Petition No.92/TT/2022. As such, IDC and IEDC computed in order dated 30.11.2022 in Petition No. 92/TT/2022 is on the basis of the IDC and IEDC statements submitted by the Review Petitioner and it is in accordance with standard methodology adopted by the Commission in all such cases. Therefore, there is no error in the computation of IDC and IEDC allowed/ disallowed for the transmission asset. Further, the disallowance for the IDC and IEDC has been in accordance with the treatment of time over-run as decided in order dated 27.12.2021 in Petition No. 75/TT/2020. Thus, there is no error in order dated 30.11.2022.

11. In view of the above discussions and findings, the Petition No. 13/RP/2023 in Petition No. 92/TT/2022 is disposed of.

**sd/-**  
**(P. K. Singh)**  
**Member**

**sd/-**  
**(Arun Goyal)**  
**Member**

**sd/-**  
**(I. S. Jha)**  
**Member**

