

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 363/MP/2023

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member**

Date of Order: 24th October, 2024

In the matter of:

Petition for seeking in-principle approval of additional capital expenditure for Renovation and Augmentation of T&D Network (Phase-I) in the Eastern Region.

And

In the matter of:

Damodar Valley Corporation
DVC Towers, VIP Road,
Kolkata – 700 054

.....Petitioner

Vs

1. West Bengal State Electricity Distribution Company Limited
Vidyut Bhawan (5th Floor, 'B' Block)
Salt Lake City, Block-D, Sector II
Kolkata-700091

2. Jharkhand Bijli Vitran Nigam Ltd.
Registered Office: Engineering Building, H.E.C
Dhurwa, Ranchi-834004, Jharkhand

.... Respondents

Parties present:

Shri Venkatesh, Advocate, DVC
Shri Ashutosh K. Srivastava, Advocate, DVC

ORDER

This Petition has been filed by the Petitioner under Section 79(1)(a) of the Electricity Act, 2003, read with Regulation 72 of the Central Electricity Regulatory Commission (Terms and Conditions of tariff) Regulations, 2019 (in short, 'the 2019 Tariff Regulations') seeking the following relief(s):



- (a) *Allow the present Petition;*
- (b) *Grant 'in principle' approval for the additional capitalisation cost of Rs. 2038.52 crores towards the Renovation and Augmentation of the existing Transmission & Distribution Network (Phase-I) to the Petitioner in terms of Regulation 72 of the Tariff Regulations, 2019;*
- (c) *Pass any other and further reliefs as this Hon'ble Commission deems just and proper in the nature and circumstances of the present case.*

Submissions of the Petitioner

2. In support of the above prayers, the Petitioner, in the Petition, has mainly submitted that the said additional capital expenditure is proposed to be incurred for strengthening the Transmission & Distribution network of the Petitioner in order to meet the present and future load demands in the system. It has also been submitted that the Renovation & Augmentation of the T&D network of the Petitioner is proposed to be implemented in two parts, viz.,

- (a) **PART A:** Renovation & Augmentation of Control and Protection System and Replacement of age-old equipment's of Substations & Powerhouse Switchyard; 14 substations for R&A which have served for more than 35 years; and
- (b) **PART B:** Augmentation of Transmission Lines with Reconductoring with HTL & Conventional Conductor along with strengthening of its Towers wherever applicable. Sixty-six lines considered for reconductoring out of which twenty-six (26) are transmission lines of 132 kV and 220 kV level while forty (40) are distribution lines.

3. The Petitioner has also submitted that it is constrained to replace the old and obsolete equipment of the composite T&D network, as the same have outlived their service life, and with the development of the latest technology and for the purposes of protection of equipment/ transmission & distribution lines, their replacement has become necessary with equipment's having modern technology. The Petitioner has added that on 25.1.2023, CEA issued a letter to the Petitioner, stating that it has examined the proposals of the Petitioner regarding the R&A of the Transmissions systems and found the same in order. However, CEA also provided that its conditions/ suggestions



need to be incorporated by the Petitioner in the final DPR. Further, ERPC, on 22.5.2023, issued a letter to the Petitioner, granting its approval for the said works, stating that the Petitioner shall take further course of actions for the execution of the proposed works with regard to the Renovation & Augmentation of the T&D system.

Hearing dated 13.3.2024

2. Pursuant to the hearing of the learned counsel for the Petitioner 'on admission' on 13.3.2024, the Commission 'admitted' the Petition and issued notice to the Respondents, with direction to the parties to complete their pleadings in the matter. The Petitioner was also directed to submit certain additional information.

Hearing dated 20.8.2024

3. During the hearing, the learned counsel for the Petitioner sought time to file the additional information sought vide ROP of the hearing dated 13.3.2024. Accordingly, the hearing of the Petition was adjourned, after directing the parties to complete their pleadings. In response, the Petitioner, vide its affidavit dated 22.8.2024, has filed the additional information, after serving a copy to the Respondents. None of the Respondents have filed their reply in the matter.

Hearing dated 8.10.2024

4. During the hearing of the Petition on 8.10.2024, the learned counsel for the Petitioner made detailed oral submissions seeking the 'in principle' approval of the additional capital expenditure incurred for the Renovation and



Augmentation of the T&D system during the tariff periods 2019-24 and 2024-29. However, on a specific query by the Commission, as to why the present Petition, seeking the in-principle approval of the said additional expenditure, should be considered/kept pending, more so, when the Petition for final truing-up of tariff along with the tariff for the period 2024-29 is required to be filed by the Petitioner by 30.11.2024, in terms of Regulation 13(1) of the 2019 Tariff Regulations, the learned counsel for the Petitioner pointed out that the proposal for in-principle approval involves an additional expenditure of about Rs. 2038.52 crores towards the Renovation and Augmentation of the T&D system. He, however, submitted that in case the Commission intends to dispose of this Petition, liberty may be granted to the Petitioner to approach the Commission seeking the additional capitalization of the costs incurred on this count for the periods 2019-24 and 2024-29 respectively, in the tariff petition to be filed in terms of Regulation 13(1) of the 2019 Tariff Regulations.

5. In view of the above and considering the fact that the petition(s) for truing-up of the tariff of the T&D system for the period 2019-24, along with the approval of tariff for the period 2024-29, is to be filed by the Petitioner in terms of Regulation 13(1) of the 2019 Tariff Regulations by 30.11.2024, we find no reason to consider the relief(s) claimed by the Petitioner in the present Petition. Accordingly, we dispose of the present Petition, with liberty to the Petitioner to approach the Commission, seeking the additional capital expenditure incurred for the Renovation & Augmentation of the T&D system as stated in the tariff petition(s) to be filed by the Petitioner in terms of the Regulation 13(1) of the 2019 Tariff Regulations. We direct accordingly.



6. Petition No. 363/MP/2023 is disposed of in terms of the above.

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V.)
Member

Sd/-
(Jishnu Barua)
Chairperson

