

**CENTRAL ELECTRICITY REGULATORY COMMISSION**

**NEW DELHI**

**Review Petition No. 6/RP/2023**

**in**

**Petition No. 378/TT/2020**

**Coram:**

**Shri Jishnu Barua, Chairperson**

**Shri Arun Goyal, Member**

**Shri Ramesh Babu V., Member**

**Date of Order: 04.07.2024**

**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, seeking review and modification of the order dated 1.3.2022 in Petition No. 378/TT/2020.

**And in the Matter of:**

Power Grid Corporation of India Limited,  
“Saudamini”, Plot No. 2,  
Sector 29, Gurgaon-122001  
Haryana

**...Review Petitioner**

**Vs**

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited,  
Vidyut Bhawan, Vidyut Marg,  
Jaipur – 302005.
2. Ajmer Vidyut Vitran Nigam Limited,  
Vidyut Bhawan,  
Panchsheel Nagar, Makarwali Road,  
Ajmer- 305004 (Rajasthan).
3. Jaipur Vidyut Vitran Nigam Limited,  
Vidyut Bhawan, Janpath, Jyoti Nagar,  
Jaipur-302005 (Rajasthan).



4. Jodhpur Vidyut Vitran Nigam Limited,  
New Power House, Industrial Area,  
Jodhpur – 342 003(Rajasthan).
5. Himachal Pradesh State Electricity Board,  
Vidyut Bhawan,  
Kumar House Complex Building II,  
Shimla – 171004.
6. Punjab State Power Corporation Limited,  
The Mall, PSEB Head Office  
Patiala-147001 (Punjab).
7. Haryana Power Purchase Centre,  
Shakti Bhawan, Sector -6,  
Panchkula – 134109.
8. Power Development Department,  
Government of Jammu & Kashmir,  
Mini Secretariat, Jammu.
9. Uttar Pradesh Power Corporation Limited,  
Shakti Bhawan- 14,  
Ashok Marg, Lucknow – 226001.
10. Delhi Transco Limited,  
Shakti Sadan,  
Kotla Road (Near ITO),  
New Delhi – 110002.
11. BSES Yamuna Power Limited,  
Shakti Kiran Building,  
Karkardooma, Delhi -110092.
12. BSES Rajdhani Power Limited.  
BSES Bhawan, Nehru Place,  
Delhi -110019.
13. Tata Power Delhi Distribution Limited,  
NDPL house, Hudson Lines Kingsway Camp,  
Delhi – 110009.
14. Chandigarh Administration,  
Sector-9, Chandigarh.



15. Uttarakhand Power Corporation Limited,  
Urja Bhawan, Kanwali Road, Dehradun.
16. North Central Railway,  
DRM Office, Nawab Yusuf Road,  
Prayagraj, Uttar Pradesh-211011.
17. New Delhi Municipal Council,  
Palika Kendra, Sansad Marg,  
New Delhi – 110002.

...Respondents

**For Review Petitioner** : Ms. Swapna Seshadri, Advocate, PGCIL  
Mr. Utkarsh Singh, Advocate, PGCIL  
Ms. Sneha Singh, Advocate, PGCIL

**For Respondents** : None

### **ORDER**

The Review Petitioner, Power Grid Corporation of India Limited, has filed the present Review Petition seeking review and modification of the order dated 1.3.2022 in Petition No. 378/TT/2020 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, whereby the Commission tried up the transmission tariff for the 2014-19 period and determined the tariff for the 2019-24 period in respect of the following transmission assets under “Northern Region System Strengthening Scheme-XVI” (hereinafter referred to as the “transmission project”) in Northern Region:

**Asset-I:** LILO of both circuits of 400 kV D/C Kishenpur Wagoora T/L along with bays at New Wanpoh & 1 No. 315 MVA, 400/220 kV ICT-I along with associated bays at New Wanpoh and 03 No. 220 kV line bays;

**Asset-II:** 400/220 kV 315 MVA ICT-II along with associated bays at New Wanpoh Sub-station;

**Asset- III:** 400 kV 125 MVAR Bus Reactor along with associated bays, and



**Asset-IV:** 400 kV D/C Kishenpur-New Wanpoh line alongwith associated bays at both ends.

2. The Review Petitioner has sought a review of the Commission`s order dated 1.3.2022 on the ground that in the impugned order, the Commission allowed the O&M Expenses for the 2019-24 tariff period for the bays at the New Wanpoh Sub-station covered in Asset-I considering them as “GIS bays”. However, the bays at the New Wanpoh are “AIS bays”. The Review Petitioner has also sought liberty to claim O&M Expenses for the ICTs in Asset Nos. I and based on their MVA capacity at the time of truing up of the 2019-24 tariff period.

3. The Review Petitioner has made the following prayers:

*“a. Admit the present Review Petition;*

*b. Review the order dated 1.03.2022 passed by this Commission;*

*c. Allow the O&M expenses (of Asset No. I) as claimed by the review Petition as per the Form-2 submitted along with Petition No. 378/TT/2020;*

*d. Allow the Review Petitioner to raise its claim for O&M of ICTs based on MVA capacity for Asset No. I and Asset No. II at the stage of truing up;*

*e. Pass such other further order(s) as the Commission may deem just in the facts of the present case.”*

4. The matter was heard on 27.4.2023 and 28.7.2023. The Review Petition was admitted on 27.4.2023, and notice was served upon Respondents. However, the Respondents neither entered their appearance nor filed any reply in the matter.

5. Subsequently, the matter was heard on 4.4.2024, and the order was reserved after hearing the Petitioner. The order in the matter could not be issued before the former



Member, Shri P.K. Singh, demitted office. Accordingly, the matter was heard on 29.5.2024 and an order was reserved in the matter. The Pleadings have been filed by the Petitioner vide affidavits dated 7.4.2022, 8.2.2023, and 27.7.2023. The Review Petitioner has also filed written submissions on 31.5.2024, wherein it has reiterated the submissions made by it in the Review Petition.

6. The Review Petitioner has made the following submissions:

- a. The bays in the New Wanpoh sub-station, covered in Asset-I, are AIS bays. However, O&M Expenses were allowed for the bays for the 2019-24 tariff period in an order dated 1.3.2022 in Petition No. 378/TT/2020, considering them as GIS bays, though the Review Petitioner did not plead that the bays were GIS bays.
- b. The O&M Expenses for the bays at the New Wanpoh sub-station allowed are lower than the O&M Expenses applicable for the AIS sub-station and claimed by the Review Petitioner in Form-2 submitted along with the Petition No. 378/TT/2020.
- c. There was a typographical error in Form-2 submitted for the 2014-19 tariff period for Asset-I (on Page-218 of the Petition) wherein 4 Nos. 220 kV bays at New-Wanpoh for ICT-I, line bays-I, II & III were reflected under head of 400 kV. However, the O&M Expenses claimed for the 2014-19 tariff period for Asset-I as per Form-1 (Summary of Tariff) submitted (on Page No-217 of the petition) is for 220 kV AIS bays. Thus, the O&M Expenses claimed was correct and there was only an inadvertent error in Form-2. Further,



there was no error in Form-2 submitted for the 2019-24 period for the combined assets (on Page No-376 of the Petition).

- d. The Commission has correctly allowed the O&M Expenses for the 220 kV bays for the 2014-19 and the 2019-24 tariff periods in respect of the Asset-I. However, the O&M Expenses have been allowed considering the New-Wanpoh sub-station as a GIS instead of AIS. The Review Petitioner in no Form or pleading, indicated that the New-Wanpoh sub-station is a GIS. In fact, in Form-2 submitted for Asset-II, Asset-III, and Asset-IV, it is clearly stated that the New-Wanpoh sub-station is an AIS.
- e. The difference between the O&M Expenses claimed by the Review Petitioner and approved by the Commission is as follows:

<b>Total O&amp;M Expenses</b>	<b>(₹ in lakh)</b>					
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	
Claimed by the Petitioner	664.29	687.36	711.25	735.88	761.41	
Allowed by the Commission	629.53	651.65	674.56	698.18	722.65	

- f. Inadvertently, the Review Petitioner missed claiming the O&M Expenses for the ICT-I & II at the New Wanpoh sub-station, covered in Asset-I and Asset-II based on their MVA capacity. Therefore, the Commission may invoke its powers under Regulations 111 to 113 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 (1999 Regulations) to preserve the liberty of the Review Petitioner to make its claim at the stage of truing up. There is no error apparent, and the Review Petitioner is not seeking any modification of the order and is only seeking a



limited clarification/liberty to make its claim at the stage of truing up. The Commission has the requisite powers to grant such a liberty under Regulations 111, 112, and 113 of the 1999 Regulations.

- g. The inadvertent error has occurred as there was no separate norm in the 2014 Tariff Regulations for claiming the O&M Expenses of ICT based on MVA capacity, which has been introduced in the 2019 Tariff Regulations. The truing up of the tariff of the 2014-19 tariff period and tariff for the period 2019-24 was sought by way of a common Petition and, therefore, this inadvertent error has crept in the Petition.
- h. The O&M Expenses of ICT base of MVA capacity is statutorily recognised in Regulation 35(3)(a) of the 2019 Tariff Regulations. The procedural and inadvertent error that has occurred while filing the Petition should not prejudice the substantive claim of the Review Petitioner to pray for allowing this expenditure at the time of truing up.
- i. Truing up is not a stage to change the principles of tariff determination. However, it is equally a well settled principle that while determining tariff, in case a Regulation has been missed out, the same can be rectified at the stage of truing-up.

### **Analysis and Decision**

7. We have considered the submissions of the Review Petitioner and have perused the record. As per provisions of Order 47 Rule 1 of the Code of Civil Procedure, 1908, an application of review would be maintainable on account of (i) discovery of a new and important piece of evidence, which after the exercise of due diligence was not within the

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knowledge or could not be produced at the time when the Order was passed, or (ii) there exists an error apparent on the face of the record, or (iii) any other sufficient reason. The Review Petitioner has submitted that the O&M Expenses for the four bays at the New Wanpoh sub-station were approved by the Commission considering them as GIS bays, whereas they are actually AIS bays, and this has resulted in approval of lower O&M Expenses for the four bays at the New Wanpoh sub-station. Besides this, the Review Petitioner has also sought liberty to claim the O&M Expenses for the ICTs based on their MVA capacity under Regulation 35(3)(a) of the 2019 Tariff Regulations, which the Review Petitioner has inadvertently missed to claim in Petition No. 378/TT/2020.

8. As regards the O&M Expenses of the bays at the New Wanpoh sub-station for the 2019-24 tariff period, the Commission vide order dated 1.3.2022 in Petition No. 378/TT/2020 held as follows:

*“99. Further, the Petitioner has claimed O&M Expenses for 8 no. of 220 kV bays considering them as AIS. However, out of 8 no. of 220 kV bays, 4 are AIS bays and 4 are GIS bays. The O&M Expenses have been worked out accordingly as per the norms in the 2019 Tariff Regulations and are as follows:*

	<b>(₹ in lakh)</b>				
<b>Details</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
11 Numbers of 400 kV Sub-station bays	353.65	366.08	378.95	392.26	406.01
4 Numbers of 220 kV Sub-station bays	90.04	93.20	96.48	99.84	103.36
4 Numbers of 220 kV GIS Sub-station bays	63.03	65.24	67.54	69.89	72.35
<b>Total</b>	<b>656.54</b>	<b>679.61</b>	<b>703.50</b>	<b>728.13</b>	<b>753.66</b>

9. The O&M Expenses for the 4 bays at the New Wanpoh sub-station were allowed for the 2019-24 tariff period as per the Review Petitioner’s claim in Form-2 pertaining to the 2014-19 tariff period submitted along with Petition No. 378/TT/2020. The Review





Petitioner has now submitted that there was a typographical error in Form-2 submitted for the 2014-19 tariff period for Asset-I, wherein 4 Nos. 220 kV bays at New-Wanpoh for ICT-I, Line Bays-I, II, and III were reflected under the head of the 400 kV GIS. However, the O&M Expenses have been claimed in Form-1 for Asset-I, considering it as 220 kV AIS bays for the 2014-19 tariff period. The Review Petitioner has further submitted that the amount claimed for the O&M Expenses was correct, but inadvertently, it was wrongly reflected in Form-2.

10. We have perused the Investment Approval (IA) of the transmission project accorded by the Board of Directors of the Petitioner vide Memorandum No. C/CP/NRSS-XVI dated 6.7.2010. It is observed that the New Wanpoh sub-station is an AIS sub-station. We further notice that the Review Petitioner has claimed the O&M Expenses for the eight 220 kV bays, considering them as AIS in summary of tariff. However, inadvertently, the Review Petitioner in Form-2 submitted that four bays are GIS bays. Taking into consideration the fact that all the eight bays in the New-Wanpoh sub-station are AIS bays, which was inadvertently mentioned by the Review Petitioner in Form-2 as GIS bays, we revise the O&M Expenses for the four bays at the New Wanpoh sub-station as per the norms for AIS bays in the 2019 Tariff Regulations.

11. As regards the Review Petitioner's prayer for the grant of liberty to claim the O&M Expenses for the ICTs covered in Assets-I and II at the New Wanpoh sub-station based on the MVA capacity at the time of truing up, we are of the view that such liberty cannot be granted at the review stage, especially when the Review Petitioner has failed to make correct claim as per the provisions of the applicable regulations and there is no error on

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the face of the record in this regard in order dated 1.3.2022 in Petition No. 378/TT/2020. However, the Review Petitioner may place this issue before the Commission at the stage of truing up for consideration in accordance with law.

12. In view of the above, the O&M Expenses allowed for the Combined Asset (which includes Asset-I) in paragraph 99 of the order dated 1.3.2022 in Petition No. 378/TT/2020 is revised as follows:

(₹ in lakh)					
Details	2019-20	2020-21	2021-22	2022-23	2023-24
11 Numbers of 400 kV Sub-station bays	353.65	366.08	378.95	392.26	406.01
4 Numbers of 220 kV Sub-station bays	90.04	93.20	96.48	99.84	103.36
4 Numbers of 220 kV Sub-station bays	90.04	93.20	96.48	99.84	103.36
8 Numbers of 220 kV Sub-station bays	180.08	186.40	192.96	199.68	206.72
139.396 km D/C Twin/Triple Conductor transmission line	122.81	127.13	131.59	136.19	140.93
<b>Total</b>	<b>656.54</b>	<b>679.61</b>	<b>703.50</b>	<b>728.13</b>	<b>753.66</b>

13. Accordingly, the details of the O&M Expenses allowed for Asset-I for the 2019-24 tariff period in an order dated 1.3.2022 in Petition No. 378/TT/2020 and the revised O&M Expenses in the instant Review Petition are as follows:

(₹ in lakh)					
Details	2019-20	2020-21	2021-22	2022-23	2023-24
<b>O&amp;M Expenses allowed in order dated 1.3.2022 in Petition No. 378/TT/2020</b>	629.53	651.65	674.56	698.18	722.65
<b>O&amp;M Expenses allowed in the instant Review Petition</b>	<b>656.54</b>	<b>679.61</b>	<b>703.50</b>	<b>728.13</b>	<b>753.66</b>

14. The revision of O&M Expenses of the bays will have a consequential impact on the Interest on Working Capital (IWC) and Annual Fixed Cost (AFC) approved for the



Combined Asset for the 2019-24 tariff period. Accordingly, the IWC and the AFC approved the Combined Asset for the 2019-24 tariff period in an order dated 1.3.2022 in Petition No. 378/TT/2020 are revised in the following paragraphs.

### **Interest on Working Capital**

15. The IWC allowed for the Combined Asset in paragraph 101 of the order dated 1.3.2022 in Petition No. 378/TT/2020 is revised as follows:

(₹ in lakh)					
<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M Expenses for one month)	54.71	56.63	58.62	60.68	62.80
Working Capital for Maintenance Spares (15% of O&M Expenses)	98.48	101.94	105.52	109.22	113.05
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost / annual transmission charges)	1504.35	1479.59	1440.97	1403.66	1361.83
<b>Total Working Capital</b>	<b>1657.54</b>	<b>1638.16</b>	<b>1605.12</b>	<b>1573.56</b>	<b>1537.69</b>
Rate of Interest of working capital (in %)	12.05	11.25	10.50	10.50	10.50
<b>Interest of Working Capital</b>	<b>199.73</b>	<b>184.29</b>	<b>168.54</b>	<b>165.22</b>	<b>161.46</b>

### **Revised Annual Fixed Charges for the 2019-24 Period**

16. The AFC allowed for the Combined Asset in paragraph 102 of the order dated 1.3.2022 in Petition No. 378/TT/2020 is revised as follows:

(₹ in lakh)					
<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	3774.38	3797.58	3797.58	3797.58	3795.59
Interest on Loan	3473.41	3178.69	2857.31	2533.39	2204.60
Return on Equity	4131.31	4160.94	4160.94	4160.94	4160.94
Operation and Maintenance	656.54	679.61	703.50	728.13	753.66
Interest on Working Capital	199.73	184.29	168.54	165.22	161.46
<b>Total</b>	<b>12235.37</b>	<b>12001.11</b>	<b>11687.87</b>	<b>11385.26</b>	<b>11076.25</b>



17. In view of the above, the summary of tariff allowed for the Combined Asset for the 2019-24 period in paragraph 111(b) of the order dated 1.3.2022 in Petition No.378/TT/2020 is revised as follows:

(₹ in lakh)				
2019-20	2020-21	2021-22	2022-23	2023-24
12235.37	12001.11	11687.87	11385.26	11076.25

18. Except for the above, all other terms contained in the order dated 1.3.2022 in Petition No. 378/TT/2020 shall remain unchanged.

19. Accordingly, the Review Petition No. 6/RP/2023 in Petition No. 378/TT/2020 is disposed of in terms of the above discussions and findings.

**sd/-**  
**(Ramesh Babu V.)**  
**Member**

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

**sd/-**  
**(Jishnu Barua)**  
**Chairperson**

