CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

<u>I.A. No. 88 of 2023</u> <u>in</u> Petition No. 313/TT/2020

Coram:

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

Date of Order: 7th December, 2024

In the Matter of:

Interlocutory Application for a clarification/correction of the computational/arithmetical error in the tariff order dated 31.1.2021 in Petition No. 313/TT/2020 under Section 94(2) of the Electricity Act, 2003 read with Regulation 103A, 111 and 114 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

And In the Matter of:

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

.... Applicant/Petitioner

Vs

- Madhya Pradesh Power Management Company Limited, Shakti Bhawan, Rampur, Jabalpur-482008.
- 2. **Madhya Pradesh Power Transmission Company Limited,** Shakti Bhawan, Rampur, Jabalpur-482008.
- 3. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited, 3/54, Press Complex, Agra-Bombay Road, Indore-452008.
- Maharashtra State Electricity Distribution Company Limited, Hongkong Bank Building, 3rd Floor, M.G. Road, Fort, Mumbai-400001.

5. Maharashtra State Electricity Transmission Company Limited,

Prakashganga, 6th Floor, Plot No. C-19, E-Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051.

6. Gujarat Urja Vikas Nigam Limited,

Sardar Patel Vidyut Bhawan, Race Course Road, Vadodara-390007.

7. Electricity Department,

Government of Goa, Vidyut Bhawan, Panaji, Near Mandvi Hotel, Goa-403001.

8. Electricity Department,

Administration of Daman & Diu, Daman-396210.

9. **DNH Power Distribution Corporation Limited**,

Vidyut Bhawan, 66 kV Road, Near Secretariat, Amli, Silvassa-396230.

10. Chhattisgarh State Power Transmission Company Limited,

Office of the Executive Director (C&P), State Load Despatch Building, Dangania, Raipur-492013.

11. Chhattisgarh State Power Distribution Company Limited,

P.O. Sunder Nagar, Dangania, Raipur-492013.

.....Respondents

For Parties : Shri Pallav Mongia, Advocate, PGCIL

Shri Anubhav Mishra, Advocate, PGCIL

Shri Mohd. Mohsin, PGCIL Shri Zafrul Hasan, PGCIL Shri Amit Garg, PGCIL

Shri Ranjeet Kumar Pandey, PGCIL

Shri Ashita Chauhan, PGCIL

<u>ORDER</u>

The Power Grid Corporation of India Limited (hereinafter referred to as "the Applicant/Petitioner") has filed the instant Interlocutory Application No. 88/IA/2023, seeking correction of the computational/ arithmetical error(s) pertaining to the capital cost as on COD of Asset-A1, as well as errors related to the Additional Capital Expenditure (ACE) in respect of Assets-A1 to A7 on account of undischarged Interest During Construction (IDC) as on COD, under Section 94(2) of the Electricity Act, 2003 ('the Act') read with Regulations 103A, 111 and 114 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

Factual Matrix:

2. The Commission vide order dated 31.1.2021 in Petition No. 313/TT/2020, trued up the transmission tariff for the 2014-19 period in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as 'the 2014 Tariff Regulations') and determined the tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as the '2019 Tariff Regulations') in respect of the following assets under the Transmission System Strengthening in Western Region for IPPs in Chhattisgarh (IPP-D):

Asset-A1: 765 kV Double Circuit ("D/C") Wardha Aurangabad Transmission Line 1 and associated bays along with 765 kV 3x80 MVAr Line;

Asset-A2: 765/400 kV 1500 MVA ICT-1 with bays and equipment at Aurangabad Sub-station;

Asset-A3: 400 kV 80 MVAR Switchable Line Reactor for Aurangabad-Boisar Transmission Line Cirucit-1 charged as Bus Reactor at Aurangabad Sub-station;

Asset-A4: 400 kV 80 MVAR Switchable Line Reactor for Aurangabad-Boisar Transmission Line Cirucit-2 charged as Bus Reactor at Aurangabad Sub-station;

Asset-A5: 400/220 kV 500 MVA ICT-3 with bays and equipment at Boisar Substation:

Asset-A6: 400 kV 80 MVAR Line Reactor for Aurangabad-Boisar Transmission Line Circuit-1 charged as Bus Reactor at Boisar Sub-station;

Asset-A7: 400 kV 80 MVAR Line Reactor for Aurangabad-Boisar Transmission Line Circuit-2 charged as Bus Reactor at Boisar Sub-station;

Asset-B1: 400 kV D/C Aurangabad Boisar Transmission Line (From Aurangabad to Loc 313/0 on D/C Towers and from Loc 332/0 to Boisar Sub-station on Multicircuit towers;

Asset-B2: Part of 400 kV D/C Navsari-Boisar Transmission Line from Loc 332/0 to Boisar Sub-station on Multi circuit Tower;

Asset-C1: 3x110 MVAR Switchable Line Reactor to be charged as Bus reactor 1 at 762/400 kV Wardha Sub-station;

Asset-C2: 3x110 MVAR Switchable Line Reactor to be charged as Bus reactor 2 at 762/400 kV Wardha Sub-station;

Asset-C3: 3x80 MVAR 765 kV Line reactor for 765 kV D/C Wardha Aurangabad Line 1 to be used as Bus Reactor at Aurangabad Sub-station;

Asset-C4: 3x80 MVAR 765 kV Bus Reactor at Aurangabad Sub-station, and

Asset-C5: 765/400 kV 1500 MVA ICT-2 at Aurangabad Sub-station

- 3. In the present IA No. 88 of 2023 in Petition No. 313/TT/2020, the Applicant/Petitioner is seeking corrections of (a) an arithmetical error in capital cost as on the COD of Asset-A1 and (b) arithmetical errors in ACE of Assets-A1 to A7 due to undischarged IDC as on COD.
- 4. The Applicant/ Petitioner has made the following prayers in the instant IA:
 - "a. Clarify/ correct the inadvertent calculation errors in the tariff order dated 31.01.2021 in Petition No. 313/TT/2020,as explained in the foregoing paragraphs, and
 - b. Pass such further orders or directions as this Commission may deem just and proper in the circumstances of the case."
- 5. The matter was heard on 20.12.2023, and notices were issued to the Respondents on maintainability. However, none of the Respondents have submitted their replies. The order on the IA could not be issued prior to the Member of the Commission demitting the office. Accordingly, the IA was re-listed for the hearing on 5.11.2024, and finally, the order was reserved on 8.11.2024.

6. We have heard the learned counsel for the Applicant/Petitioner and have perused the record.

Analysis and Decision:

- 7. We have considered the submissions of the Applicant. On the issue of arithmetical error in the capital cost as on COD of Asset-A1, the Applicant has contended that the Commission vide order dated 29.4.2016 in Petition No. 58/TT/2015, determined the tariff for Assets-A1 to A7 for the 2014-19 period under the 2014 Tariff Regulations and admitted the capital cost of Asset-A1 as on COD ₹114697.78 lakhs. However, the Commission vide its order dated 31.1.2021 in Petition No. 313/TT/2020, while truing up the tariff for the 2014-19 period concerning Asset-A1, considered capital cost as on COD of ₹109964.14 lakhs against the already admitted capital cost for Asset-A1 as on COD of ₹114697.78 lakhs. According to the Applicant, the Commission, in its said order dated 31.1.2021, reduced the capital cost of Asset-A1 and the same is an arithmetical error that is required to be corrected.
- 8. With regard to arithmetical error in the ACE for Assets A1-A7 on account of undischarged IDC, the Applicant has contended that the Commission in its order dated 31.1.2021 in Petition No. 313/TT/2020, for Assets B1, B2 and C, in principle approved the undischarged IDC as on COD as ACE during the year in which it was discharged while in the case of Assets A1 to A7, the undischarged IDC reduced from capital cost as on COD was not added back as ACE during the year of its discharge. Consequently, with regard to Assets-A1 to A7, the undischarged IDC as on COD of ₹2033.70 lakhs, ₹99.06 lakhs, ₹24.36 lakhs, ₹13.91 lakhs, ₹29.37 lakhs, ₹21.15 lakhs and ₹18.10 lakhs respectively were reduced from the cost as on COD which were not added back and

considered as ACE during the year of the respective discharge. According to the Applicant, additional capitalization of IDC that was undischarged on COD is required to be added back and considered in ACE expenditure in the year it was discharged, and the same is the arithmetical error in the order dated 31.1.2021 which is required to be corrected.

- 9. During the course of the hearing, the Commission enquired from the Petitioner how the IA seeking clarification in the inadvertent calculations errors is maintainable at this stage. In response, the learned counsel for the Petitioner sought liberty for revision of the tariff block of 2014-19 (only to the extent raised in the IA) in the true up Petition for the 2019-24 tariff period.
- 10. Considering the submissions of the learned counsel for the Petitioner and in the peculiar facts and circumstances of the present IA, the Applicant is hereby granted liberty to approach the Commission for revision of the 2014-19 tariff block only to the extent raised in the IA in the true up Petition for the 2019-24 tariff period, which shall be considered on its merits in accordance with law, However, we clarify that the present IA should not be quoted as a precedent for future matters.
- 11. Accordingly, IA No. 88 of 2023 in Petition No. 313/TT/2020 is disposed of in terms of the above discussions and findings.

Sd/-(Harish Dudani) Member sd/-(Ramesh Babu V.) Member sd/-(Jishnu Barua) Chairperson