

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 03/SM/2017

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K. Singhal, Member

Shri A.S. Bakshi, Member

Dr. M.K. Iyer, Member

Date of Order : 08th March' 2017

In the matter of

Interim truing up of Transmission tariff during tariff period 2014-19 in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

And in the matter of

Commission on its own motion

V/s

1. NTPC Ltd
NTPC Bhawan,
Core-7, SCOPE Complex,
7, Institutional Area, Lodhi Road,
New Delhi-110003

2. NHPC Limited
NHPC Office Complex,
Sector-33, Faridabad,
Haryana-121003

3. Damodar Valley Corporation
DVC Towar Maniktala,
Civic Centre, VIP road,
Calcutta-700054

4. Satluj Jal Vidyut Nigam Limited (SJVN)
Himfed Building,
New Shimla – 171009 (H.P.)

5. North Eastern Electric Power Corporation Limited (NEEPCO)
Brookland Compound, Lower New Colony,
Shillong – 793003.

6. Neyveli Lignite Corporation Limited,
135, Periyar EVR High Road,
Kilpauk, Chennai – 600 010

7. Aravali Power Company Pvt. Ltd.,
NTPC Bhawan, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi – 110 003

8. NTPC-SAIL Power Co. Pvt. Ltd.,
4th Floor, 15, NBCC Tower,
Bhikaji Cama Place,
New Delhi – 110 066

9. Maithon Power Limited
Jeevan Bharti, 10th Floor,
Towar – 1, 124, Connaught Circus,
New Delhi – 110 001

10. Ratnagiri Gas And Power Pvt. Ltd (RGPPL)
NTPC Bhawan, Core-7,
Scope Complex, 7, Institutional Area,
Lodhi Road, New Delhi – 110 003.

11. Torrent Power Limited,
Torrent House,
Off. Ashram Road,
Ahmadabad – 380 009

12. THDC India Limited
Pragatipuram, By Pass Road,
Rishikesh – 249201, Uttaranchal, India

13. NHDC Limited
NHDC Parisar, Shyamla Hills,
Bhopal – 462 013.

14. Power Grid Corporation of India Ltd.
SAUDAMINI, Plot No. 2, Sector-29,
Gurgaon – 122001 (Haryana)

15. Powerlinks Transmission Limited
10th Floor, DLF Towar A,
District Centre, Jasola,
New Delhi – 110 025.

16. Jaypee Powergrid Limited
JA House, 63, Basant Lok,
Vasant Vihar,
New Delhi – 110 057.

17. Essar Power Transmission Co. Ltd.
Tower-2, 5th Floor, Equinox Business Park,
Off. Bandra Kurla Complex,
L.B.S Marg, Kurla (W),
Mumbai – 400 070.

18. Teestavalley Power Transmission Ltd.
2nd Floor, Vijay Building,
17, Barakhamba Road,
Connaught Place, New Delhi – 110 001.

19. North East Transmission Co. Ltd.
1st Floor, Ambience Corporate Tower,
Ambience Mall, Ambience Island,
N.H. – 8, Near Toll Plaza,
Gurgaon – 122 001.

20. Adani Transmission (India) Limited
Sambhaav House,
Judges Bungalow Road, Bodakdev,
Ahmedabad – 380 015 (Gujarat)

21. Jindal Power Limited
6th Floor, MTNL Building,
8, Bhikaji Cama Place,
New Delhi – 110 066.

22. Torrent Power Grid Limited
Torrent House,
Off. Ashram Road,
Ahmadabad – 380 009.

23. Prabati Koldam Transmission Co. Ltd.
5th Floor, JMD Galleria,
Sector – 48, Sohna Road,
Gurgaon – 122 002.

24. Cross Border Power Transmission Co. Ltd.
1st Floor, Corporate Tower, Ambience Mall Complex,
Ambience Island,
NH-8, Gurgaon – 122 001.

.....Respondents

ORDER

Clause (1) of Regulation 8 of the Central Electricity Regulatory Commission (Terms & Condition of Tariff) Regulation, 2014 (hereinafter “2014 Tariff Regulation”) provides as under : -

“The Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period, with respect to the capital expenditure including additional capital expenditure incurred up to 31.3.2019, as admitted by the Commission after prudence check at the time of truing up.

Provided that the generating company or the transmission licensee, as the case may be, shall make an application for interim truing up of capital expenditure including additional capital expenditure in FY 2016-17.”

2. In accordance with the above provisions, the Generating Companies and Transmission Licensees are required to approach the Commission for interim truing up of Capital Expenditure including Additional Capital Expenditure in the Financial Year 2016-17.

3. The Commission has determined the tariff of a number of generating stations as well as transmission assets during the past two years of the tariff period. Accordingly, the interim truing up of Capital Expenditure including Additional Capital Expenditure of these assets is due during the year 2016-17. It has been brought to the notice of the

Commission that in most of the cases the variation between Capital Expenditure including Additional Capital Expenditure allowed on projection basis and the Capital Expenditure including Additional Capital Expenditure actually incurred during the past two years may not be substantial. Therefore, mandatory truing up all assets may not yield the desired result and such variation can be taken care of at the time of final truing up at the end of the tariff period. The Commission is of the view that only in those cases where variation in the Annual Fixed Charges is more than 30%, the generating companies or transmission licensees as the case may be should approach the Commission for interim truing up in terms of proviso to clause (1) of Regulation (8) of the 2014 tariff Regulation.

4. Accordingly, the Commission in exercise of its power under Regulation 55 of the 2014 Tariff Regulations issue the following directions to remove the difficulty faced by the generating companies and transmission licensees to file the interim truing up petitions in all cases:

“It shall not be mandatory for the generating Companies and transmission licensees to file the application for interim truing up in terms of proviso to Clause (1) of the Regulation 8 of 2014 Tariff Regulation. The generating companies or transmission licensees shall make applications for truing up at the end of the tariff period. Only in those cases where the variation is more than 30% of the Annual Fixed Charges granted, the generating company or transmission licensees may approach the Commission for interim truing up.”

5. All generating companies and transmission licensees which are regulated in terms of the 2014 Tariff Regulations shall be required to furnish a certificate along with the applications for interim truing up that the applications satisfy the condition as mentioned above.

6. The Suo-moto Petition accordingly stands disposed of.

Sd/-
(Dr. M. K. Iyer)
Member

Sd/-
(A. S. Bakshi)
Member

Sd/-
(A. K. Singhal)
Member

Sd/-
(Gireesh B. Pradhan)
Chairperson