CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 153/TT/2020

Subject: Petition for truing up of transmission tariff of 2014-19 period and determination of tariff of 2019-24 period for 3 assets associated with “System Strengthening Scheme in Roorkee” in Northern Region.

Date of Hearing: 9.6.2020

Coram: Shri P.K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member

Petitioner: Power Grid Corporation of India Limited

Respondents: Rajasthan Rajya Vidyut Prasaran Nigam Limited & 16 Others

Parties present: Shri R.B. Sharma, Advocate, BRPL
Shri Mohit Mudgal, Advocate, BYPL
Shri A.K. Verma, PGCIL
Shri B. Dash, PGCIL
Shri V.P. Rastogi, PGCIL

Record of Proceedings

The matter was heard through video conferencing.

2. The representative of the Petitioner submitted that the instant petition is filed for truing up of transmission tariff of the 2014-19 period and determination of tariff of the 2019-24 period for Asset I: LILO of 400 kV Rishikesh-Muzaffarnagar Transmission Line at Roorkee along with associated bays at Roorkee Sub-station, Asset II: 315 MVA 400/220 kV ICT-I along with associated bays at Roorkee Sub-station and Asset III: 315 MVA 400/220 kV ICT-II along with associated bays at Roorkee Sub-station under “System Strengthening Scheme in Roorkee” in Northern Region.

3. The representative of the Petitioner submitted that all the instant assets covered in the present petition were put into commercial operation during the 2009-14 period. The final tariff of the assets for the 2014-19 tariff period was determined vide order dated 29.2.2016 in Petition No. 546/TT/2014. The capital cost allowed vide order 29.2.2016 as on 31.3.2014 was ₹9179.14 lakh and add-cap of ₹278.92 lakh was allowed for the 2014-19 tariff period. He further submitted that the capital cost as claimed in the true up petition as on 31.3.2014 is ₹9179.14 lakh and ₹270.43 lakh
towards add-cap is claimed for the 2014-19 period. He submitted that there is no change in the capital cost as on 31.3.2014 being claimed in the present petition. Depreciation has been claimed with regard to IT equipment and software for the 2014-19 and the 2019-24 tariff period. He submitted that they have filed reply to the TV letter issued by the Commission and rejoinder to the reply filed by BRPL and UPPCL vide affidavit dated 5.6.2020.

4. In response to a query of the Commission regarding categorization of land as leasehold which was earlier categorized as a freehold, the representative of the Petitioner clarified that inadvertently it was claimed in Petition No. 546/TT/2014 as freehold hold and it is now sought to be rectified in the present petition. The Commission expressed its displeasure to the Petitioner for not mentioning the change in the status of land from freehold to leasehold either in the pleadings or in the submissions, but changing the status only in the relevant form and directed the Petitioner to explain the the reason for not mentioning in the pleadings and submissions. The Commission directed the petitioner to note that any material deviation/change from the claims made earlier should be expressly mentioned in the pleadings. The representative of the Petitioner sought time to offer clarification regarding categorization of land. In response to the query of the Commission regarding additional capitalization, the representative of the Petitioner submitted that the same is on account of balance and retention payments for the works executed within cut-off date but the payment was made later on.

5. The learned counsel for BRPL submitted that the submissions made in its reply filed vide affidavit dated 13.3.2020 may be taken into consideration. He further submitted that the effective tax rate claimed by the Petitioner in Form 3 is Nil for the entire 2014-19 tariff period which is contrary to the averments made in the petition that the tax rate considered for the period 2014-15 and 2015-16 is based on assessment orders issued by Income Tax Authorities for the purpose of grossing up of RoE, the effective tax rate for the period 2016-17 and 2017-18 is based on Income Tax Returns filed and for the period 2018-19 pending filing the Income Tax Returns, the effective tax is calculated on MAT. Therefore, the Petitioner should not be allowed to gross up the RoE by the effective tax rate.

6. Learned counsel for BYPL submitted that he adopts the submissions made by the learned counsel for BRPL.

7. The Commission directed the Petitioner to submit the following information, on affidavit, by 23.6.2020 with an advance copy to the Respondents:-

   a. Reasons for categorization of land as leasehold which was earlier claimed as freehold in Petition No. 546/TT/2014.

   b. Whether the add-cap claimed for 2014-19 period is for the works executed within the cut-off date. If so, party-wise contract details for which payment was due.
8. The Commission directed the Petitioner to submit the above information within the specified timeline and observed that no request for extension of time shall be entertained. In case, the desired information is not submitted within the date as specified above, the matter shall be disposed of based on the information available on record.

9. Subject to above, the Commission reserved order in the matter.

By order of the Commission

sd/-

(V. Sreenivas)
Deputy Chief (Law)