**CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**NEW DELHI**

### Petition No. 421/TT/2019

**Subject**: Petition for truing up of the tariff of the 2014-19 period and determination of the tariff of the 2019-24 period for 765 kV S/C Kurnool-Raichur transmission line along with associated bay extensions at 765/400 kV Kurnool Sub-station and 765/400 kV Raichur Sub-station under “Southern Region System Strengthening Scheme–XXII” in Southern Region

**Date of Hearing**: 10.8.2020

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

**Petitioner**: Power Grid Corporation of India Limited

**Respondents**: Tamil Nadu Generation and Distribution Corporation Ltd (Formerly Tamil Nadu Electricity Board -TNEB) and 17 Others

**Parties present**: Shri S. Vallinayagam, Advocate, TANGEDCO  
Dr. R. Kathiravan, TANGEDCO  
Smt. R. Ramalakshmi, TANGEDCO  
Shri S.S. Raju, PGCIL  
Shri A.K. Verma, PGCIL  
Shri B. Dash, PGCIL

### Record of Proceedings

The matter was heard through video conference.

2. The representative of the Petitioner submitted that the instant petition has been filed for truing up of the tariff of the 2014-19 period and determination of the tariff of the 2019-24 period in respect of 765 kV S/C Kurnool-Raichur transmission line along with associated bay extensions at 765/400 kV Kurnool Sub-station and 765/400 kV Raichur Sub-station under “Southern Region System Strengthening Scheme–XXII” in Southern Region.
3. The representative of the Petitioner submitted that the tariff for the instant asset was approved by the Commission vide order dated 12.5.2016 in Petition No. 264/TT/2015 for the 2014-19 tariff period. He also submitted that the Commission had allowed additional RoE of 0.5% for completion of the instant asset within the time specified in the 2104 Tariff Regulations and, hence the same is claimed in the instant petition. He further submitted that there is no cost over-run or time over-run with regard to the instant asset and the details of Additional Capital Expenditure (ACE) have been given in Form 7. He also submitted that the Initial spares claimed are within the ceiling specified in the 2014 Tariff Regulations. He also submitted that the information sought in the TV (technical validation) letter has been submitted and the Petitioner has filed rejoinder to the reply of TANGEDCO.

4. Learned counsel for TANGEDCO submitted that the Petitioner has claimed the truing up of the tariff allowed for the 2014-19 tariff period on account of ACE during the 2014-19 tariff period, change in MAT rate and change in floating rate of interest. He highlighted that the Petitioner has submitted only Auditor’s certificate claiming ACE and contended that in terms of Regulation 14 of the 2014 Tariff Regulations, the Petitioner is required to furnish details regarding ACE, such as details of assets included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution, etc. He pointed that these particulars are of utmost importance for prudence check. However, in Form-7, the Petitioner has not furnished these details regarding the subject asset as mandated in the 2014 Tariff Regulations. He further submitted that as regards ACE claimed after the cut-off date, Regulation 14(3) of the 2014 Tariff Regulations requires that any claim after cut-off date can be made only after prudence check of the details of such undischarged liability, total estimated cost of package and reasons for withholding of payment and release of such payment. He pointed that these details are vital for prudence check and have been not furnished by the Petitioner. He submitted that the Petitioner has made it a practice to quote figures without explaining the same in terms of the Regulations and that the Petitioner should explain the same, as the tariff is passed on to the consumers. He further submitted that the details of decapitalization, if any, has not been submitted and requested to direct the Petitioner to furnish all the information regarding the assets that have been de-capitalized during the said period.

5. In response, the representative of the Petitioner submitted that the details of ACE are given in Form 7 submitted along with the instant petition.

6. After hearing the parties, the Commission directed the Petitioner to submit a table of undischarged liabilities linking the same to the relevant asset. The Commission further issued a general direction to the Petitioner to submit the same in case of all the other tariff petitions filed by the Petitioner, whenever the issue of undischarged liability and ACE arises on affidavit on its own, if such details are not provided in the petitions already filed.
7. The Commission further directed the Petitioner to submit the following information, on affidavit, by 2.9.2020 along with the table of undischarged liabilities referred above, with an advance copy to the Respondents, who may file its reply to the same by 15.9.2020, and the Petitioner to file rejoinder, if any, 23.9.2020: -

   i. Liability flow statement with regards to Additional Capital Expenditure claimed for the asset covered in the instant petition for 2014-19 period in the following format:

<table>
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<th>Ass et No.</th>
<th>Head wise /Part y wise</th>
<th>Partic ulars#</th>
<th>Year of Actual Capitalisation</th>
<th>Outstanding Liability as on COD/31st March 2014*</th>
<th>Discharge (year wise)</th>
<th>Reversal (year wise)</th>
<th>Additional Liability Recognized^</th>
<th>Outstanding Liability as on 31.3.2019</th>
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   ii. Details of assets that have been de-capitalized or not used from the project during the 2014-19 or 2019-24 period.

8. The Commission further directed the parties to adhere to the above specified timeline and observed that no extension of time shall be granted.

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

   By order of the Commission

   sd/-
   (V. Sreenivas)
   Deputy Chief (Law)