

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri Bhanu Bhushan, Member**

Petition No.150/2006

In the matter of

Approval of transmission tariff for ICT-I at Meerut sub-station, 800 kV Tehri-Meerut Ckt-I, 800 kV Tehri-Meerut Ckt-II, 400 kV S/C Meerut-Muzaffarnagar transmission lines with associated bays and ICT at Muzaffarnagar under Tehri transmission system in Northern Region for the tariff block 2004-09 period.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon

..Petitioner

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur
2. Ajmer Vidyut Vitaran Nigam Ltd., Ajmer
3. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
4. Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur
5. Himachal Pradesh State Electricity Board, Shimla
6. Punjab State Electricity Board, Patiala
7. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
8. Power Development Department, Govt. of J&K, Jammu
9. Uttar Pradesh Power Corporation Ltd, Lucknow
10. Delhi Transco Ltd, New Delhi
11. Chief Engineer, Chandigarh Administration, Chandigarh
12. Uttranchal Power Corporation Ltd, Dehradun
13. North Central Railway, Allahabad

.....Respondents

The following were present:

1. Shri P.C.Pankaj, PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri Umesh Chandra, PGCIL
4. Shri B.C.Pant, PGCIL
5. Shri M.M.Mondal, PGCIL
6. Shri C.Kannan, PGCIL

ORDER
(DATE OF HEARING: 25.1.2007)

The application is made for approval of provisional transmission charges for the following transmission assets associated with Tehri Hydro Electric Project (the transmission assets) as given below in Northern Region:

S.No.	Name of assets
1.	ICT-I at Meerut sub-station,
2.	800 kV Tehri-Meerut Ckt-I with associated bays at Meerut sub-station
3.	800 kV Tehri-Meerut Ckt-II with associated bays at Meerut sub-station
4.	400 k V S/C Meerut-Muzaffarnagar transmission line with associated bays
5.	ICT at Muzaffarnagar

2. The original investment approval for the transmission system associated with Tehri Hydroelectric Project which includes the transmission assets was accorded by Ministry of Power under its letter dated 15.3.1994 at an estimated cost of Rs. 42100 lakh, including IDC of Rs. 5000 lakh. Subsequently, the approval of cost estimate of the transmission system was revised in August 2002 by the Central Government in Ministry of Power. The approval of revised cost estimate-II of the transmission system associated with Tehri Hydroelectric Project was again accorded by Ministry of Power vide letter dated 9.1.2006 at an estimated cost of Rs.91384 lakh, which includes IDC of Rs. 26916 lakh. The actual dates of commercial operation of the transmission assets covered in the present petition against the scheduled date of March 2006 are as under:

S.No.	Name of assets	Date of commercial operation
1.	ICT-I at Meerut sub-station	1.8.2005
2.	800 kV Tehri-Meerut Ckt-I with associated bays at Meerut sub-station	1.4.2006
3.	800 kV Tehri-Meerut Ckt-II with associated bays at Meerut sub-station	1.6.2006
4.	400 kV S/C Meerut-Muzaffarnagar transmission line with associated bays	1.6.2006
5.	ICT at Muzaffarnagar	1.1.2007

3. The petitioner has explained that delay in construction of certain assets of the transmission system was mainly on account of stoppage of work in Rajaji National Park by forest authorities which adversely affected the progress of work. The petitioner has submitted that work on major portion of 800 kV Tehri-Meerut Ckt-I was completed in August 2004 and to prevent theft of conductor and other materials of the completed portion of the transmission line, the partly completed line was charged for anti-theft. In August 2004, a portion of about 600 meters short of gantry was still to be completed. Gantry at switchyard end of Tehri for termination of the transmission line which was to be erected by THDC was not ready by August 2004. THDC had made the gantry ready in September 2005 and the petitioner resumed the work thereafter. In view of considerable rock cutting encountered to maintain safe ground clearance, the balance work of transmission line was completed in March 2006 and consequently the transmission line was test charged and capitalized. The petitioner has submitted that the reasons for delay were beyond its control. At this stage, we are considering the provisional tariff for the transmission assets. Therefore, the grounds for delay will be considered by the Commission at the time of approval of final tariff.

4. The details of apportioned approved cost and estimated completion cost, etc. of the transmission assets submitted by the petitioner are as under:

(Rs. in lakh)

S. No.	Name of assets	Apportioned approved cost	Cost as on date of commercial operation	Expenditure from date of commercial operation to 31.3.2006 as per the Chartered Accountant's certificate dated 21.1.2006	Balance Estimated expenditure	Total
1.	ICT-I at Meerut sub-station	3038.24	2223.60	77.18	520.89	2821.67
2.	800 kV Tehri-Meerut Ckt-I with associated bays at Meerut sub-station	37208.28	35127.95	N.A.	468.61	35596.56
3.	800 kV Tehri-Meerut Ckt-II with associated bays at Meerut sub-station	37897.07	36101.02	N.A.	893.20	36994.22
4.	400 kV S/C Meerut-Muzaffarnagar transmission line with associated bays	3576.34	2795.59	N.A.	465.90	3261.49
5.	ICT at Muzaffarnagar	1085.48	1323.22/ 1565.82*	N.A.	750.00@	2315.82@

* As per certificate dated 1.11.2006.

@ As per certificate dated 29.1.2007.

5. The annual transmission charges claimed by the petitioner for the transmission assets are given hereunder:

(Rs. in lakh)

S. No.	Name of assets	2005-06 (Pro rata)	2006-07 (Pro rata)	2007-08	2008-09
1.	ICT-I at Meerut sub-station,	223.48	339.79	336.49	333.40
2.	800 kV Tehri-Meerut Ckt-I with associated bays at Meerut sub-station	0.00	5521.01	5316.70	4991.30
3.	800 kV Tehri-Meerut Ckt-II with associated bays at Meerut sub-station	0.00	5121.04	5601.98	5141.09
4.	400 kV S/C Meerut-Muzaffarnagar transmission line with associated bays	0.00	350.46	423.80	419.40
5.	ICT at Muzaffarnagar	0.00	62.67	247.12	245.66

6. The petitioner has claimed provisional transmission charges based on the capital cost as on the date of commercial operation of the respective asset. The petitioner has published notices in the newspapers on the tariff proposal in accordance with the procedure specified by the Commission. However, no suggestions or comments have been received from the general public.

7. JVVNL and UPPCL in their reply have raised certain issues regarding interest on loan and O & M expenses, etc. Since the present petition is being considered for provisional tariff only, the issues raised are not considered relevant at this stage. The respondents are at liberty to bring up these issues, if so advised in the petition for final tariff to be filed in due course and these issues will be examined then.

8. We allow following annual transmission charges for the transmission assets, on provisional basis from the date of commercial operation of the respective asset, subject to adjustment after determination of final tariff. The provisional transmission charges are 95% of the transmission charges claimed by the petitioner:

S. No	Name of assets	Annual transmission allowed (Rs. in lakh)
1.	ICT-I at Meerut sub-station	318.46
2.	800 kV Tehri-Meerut Ckt-I with associated bays at Meerut sub-station	5244.96
3.	800 kV Tehri-Meerut Ckt-II with associated bays at Meerut sub-station	5837.99
4.	400 kV S/C Meerut-Muzaffarnagar transmission line with associated bays	399.52
5.	ICT at Muzaffarnagar	238.15

9. The transmission charges shall be shared by the respondents in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004.

10. The petitioner has sought approval for the reimbursement of expenditure of Rs. 2, 18,140/- incurred on publication of notices in the newspapers. The petitioner shall claim reimbursement of the said expenditure directly from the respondents in one installment in the ratio applicable for sharing of transmission charges. The petitioner has also sought reimbursement of filing fee of Rs.5 lakh paid. A final view on reimbursement of filing fee is yet to be taken by the Commission for which views of the stakeholder have been called for. The view taken on consideration of the comments received shall apply in the present case as regards reimbursement of filing fee.

11. With the above, the present petition stands disposed of. The petitioner shall file the fresh petition for approval of final tariff in accordance with the Commission's regulations on the subject latest by 31.10.2007.

12. The petitioner is also directed to file the following information/clarifications at the time of filing of petition for approval of final tariff, namely:-

- (a) Documents in support of loan allocation; and
- (b) A certificate, duly signed by the Auditors, certifying the loan details duly reconciled with audited accounts for the year 2006-07.

**Sd/-
(BHANU BHUSHAN)
MEMBER**

**Sd/-
(ASHOK BASU)
CHAIRPERSON**

New Delhi dated the 15th February 2007