

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R. Krishnamoorthy, Member**

Petition No. 80/2007

In the matter of

Sharing of transmission charges for 400 kV Malda–Bongaigaon transmission line with associated bays (under Kathalguri project) an inter-regional line between Eastern Region and North-eastern Region.

And in the matter of

Power Grid Corporation of India Limited

....**Petitioner**

Vs

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Calcutta
3. Grid Corporation of Orissa Ltd., Bhubaneswar
4. Damodar Valley Corporation, Calcutta
5. Power Deptt., Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board, Ranchi
7. Assam State Electricity Board, guwahati
8. Meghalaya Stater Electricity Board, Shillong
- 9.. Govt. of Arunachal Pradesh, Itnagar
10. Power and Electricity Deptt. Govt. of Mizoram, Aizwal
11. Electricity Deptt., Govt. of Manipur, Imphal
12. Department of Power, Govt. of Nagaland, Kohima
13. Tripura State Electricity Corporation Limited, Agartala.... **Respondents**

The following were present:

1. Shri Umesh Chandra, PGCIL
2. Shri P.C.Pankaj, PGCIL
3. Shri U.K. Tyagi, PGCIL
4. Shri I.S.Jha, PGCIL
5. Shri T.C.Sharma, PGCIL
6. Shri M.M. Mondal, CM (Fin), PGCIL
7. Shri S.S.Raju, PGCIL
8. Shri Harmeet Singh, PGCIL
9. Shri A.K.Das, PGCIL
10. Shri Utpal Sharma, PGCIL
11. Shri Mithilesh Kumar, PGCIL
12. Shri B.P.Singh, PGCIL
13. Shri W.Rehman, PGCIL
14. Shri M.Debberma, TSECL

15. Shri A.Gan. Chaudhri, TSECL
16. Shri S.K.Ghosh, BSEB
17. Shri Rakesh, BSEB
18. Shri P.K.Hazarika, ASEB
19. Shri K.Goswami, ASEB

ORDER
(DATE OF HEARING: 1.8.2007 at Guwahati)

The petitioner in this application has sought to be allowed to bill the beneficiaries in the North-eastern Region, the apportioned transmission tariff for 400 kV Bongaigaon-New Siliguri segment of Bongaigaon-Malda transmission line, with effect from 1.4.2007.

2. Kathalguri Transmission System of which 400 kV D/C Bongaigaon-Malda transmission line, an inter-regional asset between Eastern and North-eastern Regions, is a part, was approved by Ministry of Power under its letter dated 22.3.2001 at total cost of Rs.101010 lakh. The petitioner had made an application (Petition No.121/2004) for approval of transmission charges for Bongaigaon-Malda transmission line for the period 1.4.2004 to 31.3.2009, recoverable from the beneficiaries in Eastern Region. The transmission tariff was decided by the Commission by its order dated 14.1.2006 based on the apportioned approved cost of Rs.29758.66 lakh, as under:

(Rs. in lakh)

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Depreciation | 802.48 | 802.48 | 802.48 | 802.48 | 802.48 |
| Interest on Loan | 1082.24 | 932.61 | 782.97 | 633.34 | 491.68 |
| Return on Equity | 1383.12 | 1383.12 | 1383.12 | 1383.12 | 1383.12 |
| Advance against Depreciation | 0.00 | 584.57 | 1149.63 | 1149.63 | 1032.61 |
| Interest on Working Capital | 104.00 | 114.23 | 124.29 | 124.65 | 123.34 |
| O & M Expenses | 308.61 | 320.90 | 334.22 | 346.84 | 361.42 |
| Total | 3680.45 | 4137.90 | 4576.71 | 4440.06 | 4194.65 |

3. It was decided that 50% of the transmission charges approved would be included in the regional transmission tariff for Eastern Region and would be shared by the regional beneficiaries in that region in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (the 2004 regulations). As the beneficiaries in North-eastern Region were paying the transmission tariff @ 35 paise/unit of the energy transmitted in the region under UCPTT scheme, they were not required to pay the transmission charges for the above inter-regional asset separately.

4. Bongaigaon-Malda transmission line was declared under commercial operation with effect from 1.4.2000. Later on, Bongaigaon-Malda transmission line I and line II are stated to have been looped-in and looped-out at 400 kV New Siliguri sub-station on 1.8.2003 and 1.10.2005 respectively. Consequently, according to the petitioner, the status of inter-regional 400 kV Bongaigaon-Malda transmission line has changed with effect from 1.10.2005. In view of the location of New Siliguri sub-station in the geographical boundary of Eastern Region, the petitioner has proposed to treat the line segment from Bongaigaon to New Siliguri as inter-regional transmission asset and has further proposed sharing of its apportioned transmission charges by the beneficiaries in Eastern Region and North-eastern Region. The segment from New Siliguri to Malda has been suggested to be treated as intra-regional transmission line for Eastern Region, and consequently, the transmission charges for this segment are proposed to be exclusively borne by the beneficiaries in the Eastern Region. The petitioner has apportioned the approved cost of Bongaigaon-Malda transmission line between

the two segments as under, in accordance with the methodology given in the petition:

| | |
|--|--------------------------------|
| (a) Bongaigaon-New Siliguri (inter regional) Segment | Rs.17656.29 lakh |
| (b) New Siliguri-Malda Segment | Rs.12102.35 lakh |
| Total | <u>Rs.29758.64 lakh</u> |

5. Based on the apportioned cost for Bongaigaon-Malda transmission line as above, the petitioner has further apportioned the transmission charges approved by order dated 14.1.2006 between the two segments as given in the table below with effect from 1.4.2007 since from that date UCPTT scheme is not applicable to North-eastern Region in terms of the Commission's order dated 27.4.2007 in Petitions No.82/2006 *et al.*

| (Rs in lakh) | | | |
|------------------------------|---|---|--|
| Year | Total tariff approved vide order dated 14.1.2006 in Petition no. 121/2004 | Transmission tariff for Inter-Regional Bongaigaon-New Siliguri Segment (to be shared by NER & ER) | Transmission tariff for New Siliguri-Malda Segment (to be borne by ER constituents only) |
| 2004-05 | 3680.45 | 3680.45 | 0.00 |
| April 2005 to September 2005 | 4137.90 | 2068.95 | 0.00 |
| October 2005 to March 2006 | | 1227.54 | 841.41 |
| 2006-07 | 4576.71 | 2715.44 | 1861.27 |
| 2007-08 | 4440.06 | 2634.36 | 1805.70 |
| 2008-09 | 4194.65 | 2488.76 | 1705.89 |
| Total | 21029.77 | 14815.50 | 6214.27 |

6. The respondent, Bihar State Electricity Board in its reply dated 27.7.2007 has stated that the constituents of North-eastern Region are deriving benefits of Malda-Bongaigaon transmission line by selling their power outside the region. It

has furnished month-wise details of bilateral energy sale by North-eastern Region constituents for the period April 2006 to May 2007 and has contended that the beneficiaries in North-eastern Region should bear the entire transmission charges of Malda-Bongaigaon transmission line. Bihar State Electricity Board has also stated that change in status of Malda-Bongaigaon transmission line after its LILO at New Siliguri sub-station has not been discussed at EREB forum. Bihar State Electricity Board has contended that since it has share of 35.832% in central generating stations, therefore, it would bear maximum financial impact.

7. We have considered the submissions made by Bihar State Electricity Board. It is noted that New Siliguri sub-station is located in Eastern Region and New Siliguri-Malda segment of Bongaigaon-Malda transmission line is being exclusively used for the benefit of Eastern Region constituents. New Siliguri being the pooling point for power from Tala HEP, Teesta HEP etc. Therefore, it forms part of the Eastern Regional Transmission System and accordingly, the transmission charges for this segment have to be borne by the beneficiaries in that region only. Undoubtedly, Bongaigaon-New Siliguri segment of the transmission line is an inter-regional asset and the transmission charges for this inter-regional asset are to be shared by the two contiguous regions in accordance with the 2004 regulations.

8. Assam State Electricity Board in its reply dated 13.7.2007 has submitted that the dates of commercial operation of LILO of Bongaigaon-Malda ckts 1 & 2 at New Siliguri are 1. 8.2003 and 1.10.2005, respectively, and therefore, status of Bongaigaon-New Siliguri segment should change as intra-regional asset of

Eastern Region from the respective date of commercial operation of LILOs of ckt. 1 and 2. Assam State Electricity Board has further contended that LILO has been done in the interest of Eastern Region constituents only. Therefore, the line length of LILO should not be treated as part of inter-regional link and only the line length from Bongaigaon to the tower from which LILO has been done should form part of inter-regional asset.

9. In our view status of Bongaigaon-Malda transmission line changes only with the completion of LILO of both the circuits at New Siliguri. In any case, the beneficiaries in North-eastern Region, prior to 1.4.2007 were paying tariff under UCPTT scheme as noted above and, therefore, retrospective apportionment of the transmission charges will not be of any consequences. We also found that the petitioner has apportioned the cost and the transmission charges on normative basis. Therefore, asking for further fine-tuning as suggested by Assam State Electricity Board may not be justified. In any case, construction of LILO length affords continuity of the transmission line from Bongaigaon to New Siliguri.

10. In view of the foregoing, the approach adopted by the petitioner for apportionment of transmission charges of Malda-Bongaigaon transmission line between Malda-New Siliguri segment and New Siliguri-Bongaigaon segment appears to be reasonable. Therefore, the petitioner is allowed to bill on provisional basis for the apportioned transmission charges in respect of Malda-New Siliguri and New Siliguri Bongaigaon segments as claimed by the petitioner as per table under para 5 above, with effect from 1.4.2007.

11. The transmission tariff for Bongaigaon-New Siliguri segment shall be shared by the constituents of Eastern and North-eastern Regions in accordance with Regulation 59 of the 2004 regulations.

12. With the above, petition stands disposed of.

Sd/-
(R.KRISHNAMOORTHY)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi dated the 24th September 2007