

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

1. **Shri Bhanu Bhushan, Member**
2. **Shri A.H.Jung, Member**

**Petition No. 114/2006**

**In the matter of**

Approval of provisional transmission tariff for (i) 400/220 kV 315 MVA ICT at Gorakhpur (Powergrid) with associated bays, (ii) 400 kV D/C Lucknow (Powergrid)-Unnao (UPPCL) transmission line with associated bays at both ends, (iii) 400/220 kV 315 MVA ICT at Lucknow with associated bays, (iv) 2 nos. 400 kV bays at Gorakhpur (Powergrid) and 2 nos. 400 kV bays at Lucknow (Powergrid) for 400 kV D/C Gorakhpur-Lucknow transmission line of Powerlinks, (v) Gorakhpur (Powergrid)-Gorakhpur (UPPCL) 400 kV D/C transmission line with bays at both ends, under transmission system associated with Tala HEP, East-North inter-connector and Northern Region transmission system from 1.8.2006 to 31.3.2009.

**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. Uttaranchal 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 Prashant Sharma, PGCIL
7. Shri C.Kannan, PGCIL
8. Shri R. Prasad, PGCIL
9. Shri S.N.Singh, UPPCL

**ORDER**  
**(DATE OF HEARING: 16.1.2007)**

The application has been made for approval of provisional transmission tariff for (i) 400/220 kV 315 MVA ICT at Gorakhpur (Powergrid) with associated bays, (ii) 400 kV D/C Lucknow (Powergrid)-Unnao (UPPCL) transmission line with associated bays at both ends, (iii) 400/220 kV 315 MVA ICT at Lucknow with associated bays, (iv) 2 nos. 400 kV bays at Gorakhpur (Powergrid) and 2 nos. 400 kV bays at Lucknow (Powergrid) for 400 kV D/C Gorakhpur-Lucknow transmission line of Powerlinks, (v) Gorakhpur (Powergrid)-Gorakhpur (UPPCL) 400 kV D/C transmission line with bays at both ends, ( the transmission assets) under the transmission system associated with Tala HEP, East-North inter-connector and Northern Region transmission system.

2. The administrative approval and expenditure sanction for the transmission system was accorded by the Ministry of Power under letter dated 2.7.2003 at an estimated cost of Rs. 198070 lakh, which included IDC of Rs.21792 lakh. Subsequently, the revised cost estimate of the transmission system was approved by Ministry of Power under letter dated 29.9.2005 at Rs. 248388 lakh, including IDC of Rs. 14744 lakh, with debt-equity ratio of 70:30. The transmission system is to be implemented by the petitioner and Powerlinks Transmission Limited, a joint venture company. The details of revised approved cost are given hereunder:

- (a) Power Grid portion: Rs. 87210 lakh (including IDC of Rs. 2574 lakh)
- (b) Joint Venture portion: Rs. 161178 lakh (including IDC of Rs. 12170 lakh).

3. The scheduled completion date and date of commercial operation of the transmission assets are June 2006 and 1.8.2006, respectively.

4. The details of capital expenditure submitted by the petitioner in support of its claim for tariff are as follows:

(Rs. in lakh)

S. No	Name of asset	Apportioned approved cost	Expenditure up to 31.3.2006	Expenditure from 1.4.2006 to 30.6.2006	Estimated expenditure from 1.7.2006 to 31.7.2006 i.e. date of commercial operation	Balance estimated expenditure	Total
1.	400/220 kV 315 MVA ICT at Gorakhpur (Powergrid) with associated bays	2463.42	1966.32	87.57	200.42	209.71	2464.02
2.	400 kV D/C Lucknow (Powergrid)-Unnao (UPPCL) transmission line with associated bays at both end	10797.48	7745.18	974.55	793.28	1390.14	10903.15
3.	400/220 kV 315 MVA ICT at Lucknow with associated bays	2834.51	2017.56	340.60	286.83	484.11	3129.10
4.	2 nos. 400 kV bays at Gorakhpur (Powergrid) and 2 nos. 400 kV bays at Lucknow (Powergrid) for 400 kV D/C Gorakhpur-Lucknow transmission line of Powerlinks	3687.01	2424.97	196.06	208.94	704.42	3534.39
5.	Gorakhpur- (Power grid)-Gorakhpur (UPPCL) 400 kV D/C transmission line with associated bays at both end	10392.24	5350.97	929.56	509.48	1337.10	8127.11

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

(Rs. in lakh)

S.No.	Name of asset	2006-07 (Pro rata)	2007-08	2008-09
1.	400/220 kV 315 MVA ICT at Gorakhpur (Powergrid) with associated bays	273.45	411.07	411.48
2.	400 kV D/C Lucknow (Powergrid)-Unnao (UPPCL) transmission line with associated bays at both end	889.88	1326.26	1315.65
3.	400/220 kV 315 MVA ICT at Lucknow with associated bays	307.25	461.17	460.90
4.	2 nos. 400 kV bays at Gorakhpur (Powergrid) and 2 nos. 400 kV bays at Lucknow (Powergrid) for 400 kV D/C Gorakhpur-Lucknow transmission line of Powerlinks	360.85	543.78	545.79
5.	Gorakhpur- (Power grid)-Gorakhpur (UPPCL) 400 kV D/C transmission line with associated bays at both end	659.19	983.73	977.22
	<b>Total</b>	<b>2490.62</b>	<b>3726.01</b>	<b>3710.23</b>

6. The petitioner has claimed provisional transmission charges based on the capital cost as on the date of commercial operation of the respective asset.

7. The expenditure up to 31.3.2006 has been verified from audited statement of accounts. For the period from 1.4.2006 to 31.7.2006 the expenditure indicated is based on books of accounts, yet to be audited.

8. The petition has been heard after notice to the respondents. UPPCL, AVVNL, JVVNL and JdVVNL in their reply have raised certain issues. Since the present petition is being considered for provisional tariff only, the issues raised are not being gone into at this stage. The respondents are at liberty to bring up these issues, if so advised when the petition for final tariff is filed in due course and these issues will be examined then. The petitioner shall, however, take these points into account while making the application for approval of final tariff.

9. Taking into consideration the capital expenditure up to the date of commercial operation, as claimed by the petitioner, as the base, we allow following annual transmission charges on provisional basis from the date of commercial operation subject to adjustment after determination of final tariff:

(Rs. in lakh)

S.No.	Name of asset	Annual transmission charges
1.	400/220 kV 315 MVA ICT at Gorakhpur (Powergrid) with associated bays	389.67
2.	400 kV D/C Lucknow (Powergrid)-Unnao (UPPCL) transmission line with associated bays at both end	1268.08
3.	400/220 kV 315 MVA ICT at Lucknow with associated bays	437.83
4.	2 nos. 400 kV bays at Gorakhpur (Powergrid) and 2 nos. 400 kV bays at Lucknow (Powergrid) for 400 kV D/C Gorakhpur-Lucknow transmission line of Powerlinks	514.21
5.	Gorakhpur-(Power grid)-Gorakhpur (UPPCL) 400 kV D/C transmission line with associated bays at both end	939.35
	<b>Total</b>	<b>3549.14</b>

10. The provisional transmission charges allowed are 95% of the transmission charges corresponding to the capital cost of the respective asset as on the date of commercial operation.

11. 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.

12. The petitioner has sought approval for the reimbursement of expenditure incurred on publication of notices in the newspapers. The petitioner shall claim reimbursement of the said expenditure from respondents in one installment in the ratio applicable for sharing of transmission charges. The petitioner has also sought reimbursement of filing fee of Rs. five 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.

13. 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.

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

- (a) Details of apportioned approved cost of all the assets pertaining to the transmission system,;

- (b) Reasons for making separate assets for 2 bays at Lucknow sub-station and 2 bays at Gorakhpur sub-station for Lucknow-Gorakhpur transmission line of Powerlinks ;
- (c) Details of claimed cost of initial spares;
- (d) Reasons for higher cost at Lucknow sub-station than the cost of Gorakhpur sub-station, though works at both the sub-stations were of similar nature; and
- (e) A certificate, duly signed by the Auditors, certifying the loan details (including Bond XVII, XVIII and XIX) duly reconciled with audited accounts of 2006-07.

**Sd-/  
(A.H.JUNG)  
MEMBER**

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

**New Delhi dated the 16<sup>th</sup> January 2007**