

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 149/2006

In the matter of

Determination of provisional transmission tariff for 2nd 315 MVA auto transformers at Narendra sub-station associated with Kaiga-Narendra Transmission System in Southern Region from 1.9.2006 to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited

..Petitioner

Vs

1. Karnataka Power Transmission Corporation Ltd, , Bangalore
2. Transmission Corporation of Andhra Pradesh Ltd., Hyderabad
3. Kerala State Electricity Board, Thiruvananthapuram
4. Tamil Nadu Electricity Board, Chennai
5. Electricity Department, Govt. of Pondicherry

.Respondents

The following were present:

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

**ORDER
(DATE OF HEARING: 25.1.2007)**

The application has been made for approval of provisional transmission tariff for 2nd 315 MVA auto transformer at 400/220 kV sub-station at Narendra (the transmission asset) associated with Kaiga-Narendra Transmission System in Southern Region from 1.9.2006 to 31.3.2009.

2. The investment approval for establishment of 400/220 kV sub-station at Narendra was accorded by Board of Directors of the petitioner company vide Memorandum dated 27.2.2003 at an estimated cost of Rs.6051 lakh, which included

IDC of Rs.487 lakh. The apportioned approved cost of the transmission asset is stated to be Rs. 700 lakh. The transmission asset was to be completed by August 2005, but has been declared under commercial operation w.e.f. 1.9.2006, that is, with a delay of 13 months. The petitioner has explained that the delay in completion was due to the failure of the transformer at Baripada sub-station and it was felt necessary to put a new transformer in place of the failed transformer on urgent basis. Therefore, in the broader interest of the system, the available transformer of Narendra sub-station which was likely to be commissioned as per the approved schedule was diverted to Baripada sub-station. The petitioner has submitted that the reasons for delay were beyond its control. The reasonableness of the delay will be considered when the petitioner makes an application for final tariff.

3. The details of capital expenditure submitted by the petitioner are as follows:

(Rs. in lakh)	
Expenditure up to 1.9.2006	622.31
Balance estimated expenditure	125.20
Total	747.51

4. The petitioner has claimed the following transmission charges based on the capital cost of Rs.622.31 lakh as on the date of commercial operation:

(Rs. in lakh)	
Period	Annual Transmission Charges
2006-07(Pro rata)	86.30
2007-08	148.98
2008-09	149.77

5. The petitioner has published notices in the newspapers on the tariff proposal made in the petition in accordance with the procedure specified by the Commission. However, no suggestions or comments have been received from the general public.

6. The expenditure up to 31.3.2006 has been verified from audited statement of accounts. For the period from 1.4.2006 to 31.8.2006 the expenditure indicated is based on books of accounts, yet to be audited.

7. The petition has been heard after notice to the respondents. Tamil Nadu Electricity Board in its reply has raised certain issues. Since the present petition is 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 the issues will be examined then. The petitioner shall, however, take these points into account while making the application for approval of final tariff.

8. Taking into consideration the capital expenditure of Rs. 622.31 lakh as on the date of commercial operation, as claimed by the petitioner, as the base, we allow annual transmission charges of Rs.140.55 lakh for the transmission assets, on provisional basis from the date of commercial operation subject to adjustment after determination of final tariff. The provisional transmission charges allowed are 95% of the transmission charges claimed by the petitioner on capital cost of Rs. 622.31 lakh.

9. The petitioner has sought approval for the reimbursement of expenditure of Rs. 1,28,252/- incurred on publication of notices in the newspapers. The petitioner shall claim reimbursement of the said expenditure directly from respondents in one installment in the ratio applicable for sharing of transmission charges. The petitioner has also sought reimbursement of filing fee paid. A final view on reimbursement of filing fee is yet to be taken by the Commission for which views of the stakeholders 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.

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

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

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

New Delhi dated the 29th January 2007