

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 154/2006

In the matter of

Approval of provisional transmission tariff for (i) TCSC and 2 nos of 400 kV bays at Gorakhpur sub-station associated with 400 kV Muzaffarpur-Gorakhpur transmission line of Powerlinks (ii) 2 nos of 400 kV bays at Muzaffarpur with line reactor associated with 400 kV Muzaffarpur-Gorakhpur transmission line of Powerlinks under transmission system associated with Tala HEP, East-North inter-connector and Northern Region transmission system, an inter-regional asset between Northern Region and Eastern Region from 1.9.2006 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	
14. Bihar State Electricity Board, Patna	
15. West Bengal State Electricity Board, Kolkata	
16. Grid Corporation of Orissa Ltd., Bhubaneswar	
17. Damodar Valley Corporation, Calcutta	
18. Power Department, Govt. of Sikkim, Gangtok	
19. Jharkhand State Electricity Board, RanchiRespondents

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 R.B.Sharma, Advocate, BSEB
10. 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) TCSC and 2 nos of 400 kV bays at Gorakhpur sub-station associated with 400 kV Muzaffarpur-Gorakhpur transmission line (ii) 2 nos of 400 kV bays at Muzaffarpur with line reactor associated with 400 kV Muzaffarpur-Gorakhpur transmission line (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 1.9.2006 respectively.

4. The petitioner has explained that delay in completion of the transmission assets was due to Panchayat election in Bihar during April-May 2006 and one fire incident on the site on 29.4.2006 which adversely affected the progress of site work and mobilization of men, material as well as T & P and labour injury. 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.

5. 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 date of commercial operation	Balance estimated expenditure	Total
1.	TCSC and 2 nos of 400 kV bays at Gorakhpur sub-station associated with 400 kV Muzaffarpur-Gorakhpur transmission line of Powerlinks	9379.00	6904.37	1403.07	363.000	8670.44
2.	2 nos of 400 kV bays at Muzaffarpur with line reactor associated with 400 kV Muzaffarpur-Gorakhpur transmission line of Powerlinks	2360.00	1035.51	589.49	499.00	2124.00

6. 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.	TCSC and 2 nos of 400 kV bays at Gorakhpur sub-station associated with 400 kV Muzaffarpur-Gorakhpur transmission line of Powerlinks	737.53	1255.85	1243.77
2.	2 nos of 400 kV bays at Muzaffarpur with line reactor associated with 400 kV Muzaffarpur-Gorakhpur transmission line of Powerlinks	193.01	332.76	334.11
	Total	930.54	1588.61	1577.88

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

8. 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.

9. The petition has been heard after notice to the respondents. BSEB in its reply has 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.

10. 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.	TCSC and 2 nos of 400 kV bays at Gorakhpur sub-station associated with 400 kV Muzaffarpur-Gorakhpur transmission line of Powerlinks	1201.12
2.	2 nos of 400 kV bays at Muzaffarpur with line reactor associated with 400 kV Muzaffarpur-Gorakhpur transmission line of Powerlinks	314.33

11. The provisional transmission charges allowed are 95% of the transmission charges corresponding to the capital cost of Rs.8307.44 lakh and Rs. 1625.00 lakh, respectively as on the date of commercial operation.

12. 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.

13. The petitioner has sought reimbursement of filing fee of Rs. one 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.

14. 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.

15. 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) Details of apportioned approved cost of all the assets pertaining to the transmission system as a whole;
- (b) Documents in support of loans raised; and
- (c) A certificate, duly signed by the Auditors, certifying the loan details duly reconciled with audited accounts of 2006-07.

**Sd-/
(A.H.JUNG)
MEMBER**
New Delhi dated the 16th January 2007

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