

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 163/2007

In the matter of

Determination of provisional transmission tariff for (i) 400 kV D/C Kahalgaon-Patna transmission line (including 1x 50 MVAR line reactor), 1 x 80 MVAR Bus Reactor with associated bays at Patna sub-station, 2 nos. 220 kV line bays at Patna sub-station for BSEB sub-station and 400 & 220 kV bays for ICT-I at Patna sub-station DOCO 1.5.2007 (ii) 400 kV D/C Maithon-Ranchi transmission line along with associated bays, 400/220 k V, 315 MVA ICT II along with associated bays at Ranchi sub-station and 220 kV Patratu and Chandil bays at Ranchi sub-station-DOCO 1.6.2006 under Kahalgaon Stage-II Phase-I transmission system in Eastern Region for the period 2004-09.

And in the matter of

Power Grid Corporation of India Ltd., Gurgaon
Vs

.... Petitioner

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Calcutta
3. Grid Corporation of Orissa Limited, Bhubaneswar
4. Damodar Valley Corporation, Calcutta
5. Power Department, Govt. of Sikkim, Gangtok
6. Jharkand State Electricity Board, Ranchi

.Respondents

The following were present:

1. Shri V.V.Sharma PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri M.M.Mondal, PGCIL
4. Shri Prashant Sharma, PGCIL
5. Shri A.K.Nagpal, PGCIL
6. Shri C.Kannan, PGCIL
7. Shri R.B.Sharma, Advocate, BSEB

**ORDER
(DATE OF HEARING: 20.2.2008)**

The application has been made for approval of provisional transmission charges for (i) 400 kV D/C Kahalgaon-Patna transmission line (including 1x 50 MVAR line reactor), 1x 80 MVAR Bus reactor with associated bays at Patna sub-station, 2 nos. 220 kV line bays at Patna sub-station for BSEB sub-station and 400 & 220 kV

bays for ICT-I at Patna sub-station (ii) 400 kV D/C Maithon-Ranchi transmission line along with associated bays, 400/220 k V, 315 MVA ICT II along with associated bays at Ranchi sub-station and 220 kV Patratu and Chandil bays at Ranchi sub-station (the transmission assets) under Kahalgaon STPS Stage-II Phase-I Transmission System (the transmission system) in Eastern Region for the period from the date of commercial operation of the respective asset to 31.3.2009, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (the 2004 regulations).

2. The investment approval for the transmission system was accorded by Ministry of Power vide its letter dated 12.10.2004 at an estimated cost of Rs.177193.00 lakh, which includes IDC of Rs. 8618.00 lakh.

3. The date of commissioning of the respective transmission asset, apportioned approved cost and the actual cost as on the date of commercial operation, as given by the petitioner are as hereunder:

S. No	Name of Asset	Date of commercial operation	Apportioned approved cost (Rs. in lakh)	Capital cost as on date of commercial operation (Rs. in lakh)
1.	400 kV D/C Kahalgaon-Patna transmission line (including 1x 50 MVAR line reactor), 1x 80 MVAR Bus reactor with associated bays at Patna sub-station, 2 nos. 220 kV transmission line bays at Patna sub-station for BSEB sub-station and 400 & 220 kV bays for ICT-I at Patna sub-station	1.5.2007	37144.00	47098.51
2.	400 kV D/C Maithon-Ranchi transmission line along with associated bays, 400/220 k V, 315 MVA ICT II along with associated bays at Ranchi sub-station and 220 kV Patratu and Chandil bays at Ranchi sub-station	1.6.2007	21353.00	26134.00
	Total		58679.00	73232.51

4. The expenditure up to 31.3.2007 has been verified from the audited statement of accounts for the year 2006-07. For the period from 1.4.2007 to the date of commercial operation of the respective transmission asset, the expenditure indicated is based on books of accounts, which is yet to be audited.

5. The petition has been heard after notice to the respondents. Bihar State Electricity Board in its reply has raised certain issues which are relevant for consideration while determining final tariff. Since the present petition is for provisional tariff only, the issues raised are not being addressed at this stage. The respondents are at liberty to bring up these issues, if so advised, when the petition for final tariff is filed and the issues will be examined then.

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

(Rs. in lakh)		
Period	400 kV D/C Kahalgaon-Patna line (including 1x 50 MVAR line reactor), 1x 80 MVAR Bus reactor with associated bays at Patna sub-station, 2 nos. 220 kV transmission line bays at Patna sub-station for BSEB sub-station and 400 & 220 kV bays for ICT-I at Patna sub-station	400 kV D/C Maithon-Ranchi transmission line along with associated bays, 400/220 kV, 315 MVA ICT II along with associated bays at Ranchi sub-station and 220 kV Patratu and Chandil bays at Ranchi sub-station
2007-08 (Pro-rata)	6026.41	3192.00
2008-09	6487.20	3789.70

7. In respect of both the transmission assets, the capital expenditure on the date of commercial operation exceeds their apportioned approved cost. Therefore, for the purpose of provisional tariff, we have considered the apportioned approved cost as per para 3 above. The petitioner's claim for the transmission charges, except O & M

charges, have been proportionately reduced. However, O & M charges have been allowed as claimed as they are independent of the capital cost.

8. The details of capital cost, equity and loan claimed by the petitioner and considered for the purpose of provisional transmission tariff are as follows:

(Rs. in lakh)

		400 kV D/C Kahalgaon-Patna transmission line (including 1 x 50 MVAR line reactor), 1x 80 MVAR Bus reactor with associated bays at Patna sub-station, 2 nos. 220 kV transmission line bays at Patna sub-station for BSEB sub-station and 400 & 220 kV bays for ICT-I at Patna sub-station	400 kV D/C Maithon-Ranchi transmission line along with associated bays, 400/220 kV, 315 MVA ICT II along with associated bays at Ranchi sub-station and 220 kV Patratu and Chandil bays at Ranchi sub-station
Capital cost	Claimed	47098.51	26134.00
	Allowed	37144.00	21353.00
Equity	Claimed	14130.51	7844.00
	Allowed	11143.95	6409.00
Loan	Claimed	32968.00	18290.00
	Allowed	26000.05	14944.00

9. Based on the above, the provisional transmission charges are determined as follows:

(Rs. in lakh)

	400 kV D/C Kahalgaon-Patna transmission line (including 1x 50 MVAR line reactor), 1x 80 MVAR Bus reactor with associated bays at Patna sub-station, 2 nos. 220 kV transmission line bays at Patna sub-station for BSEB sub-station and 400 & 220 kV bays for ICT-I at Patna sub-station	400 kV D/C Maithon-Ranchi transmission line along with associated bays, 400/220 kV, 315 MVA ICT II along with associated bays at Ranchi sub-station and 220 kV Patratu and Chandil bays at Ranchi sub-station		
	2007-08 (Pro- rata)	2008-09	2007-08 (Pro- rata)	2008-09
Return on equity	1430.14	1560.15	747.72	897.26
Depreciation	898.90 @ 2.64%	980.62 @ 2.64%	83.36 @ 2.72%	580.03 @ 2.72%
Advance Against Depreciation	0.00	0.00	0.00	0.00
Interest on loan	2027.43	2208.21	1057.86	1265.27
O & M expenses	323.19	367.12	295.79	369.50
Interest on working capital	143.48	159.46	79.21	96.75
Total	4823.14	5275.56	2663.93	3208.81

10. We allow transmission charges tabulated above 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.

11. The petitioner shall file a fresh petition for approval of final tariff in accordance with the 2004 regulations on the subject, latest by 31.10.2008.

12. While making the application for approval of final tariff, the petitioner shall file a certificate, duly signed by the Auditors, certifying the loan details, duly reconciled with audited accounts of 2007-08.

**Sd/
(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 25th February 2008**

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