

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**Petition No. 167/2007**

**In the matter of**

Determination of provisional transmission tariff for LILO of 400 kV D/C Raipur-Rourkela transmission line along with associated bays under Vindhyachal Stage-III Transmission System in Western Region including 400/220 kV Transformers at Raigarh sub-station.

**And in the matter of**

Power Grid Corporation of India Limited, Gurgaon

**..Petitioner**

Vs

1. Madhya Pradesh Power Transmission Company Ltd., Jabalpur
2. Maharashtra State Electricity Distribution Co. Ltd., Mumbai
3. Gujarat Urja Vikas Nigam Ltd., Vadodara
4. Electricity Deptt., Govt., of Goa, Panji
5. Electricity Department, Administration of Daman and Diu, Daman
6. Electricity Department, Administration of Dadra Nagar Haveli, Silvassa
7. Chhattisgarh State Electricity Board, Raipur
8. Madhya Pradesh Audyogik Kandra, Indore

**.....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

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

The application has been made for approval of provisional transmission charges for LILO of 400 kV D/C Raipur-Rourkela transmission line along with associated bays including two 400/220 kV Transformers at Raigarh sub-station (the transmission assets) under Vindhyachal Stage-III Transmission System (the transmission system) in Western Region which was expected to be commissioned from 1.1.2008 and up to 31.3.2009, based on the Central Electricity Regulatory

Commission (Terms and Conditions of Tariff) Regulations, 2004 (the 2004 regulations).

2. As stated in the affidavit attested on 19.2.2008, filed on behalf of the petitioner, the 400/220 kV Raigarh sub-station (new) with 1x315 MVA transformer was declared under commercial operation on 1.2.2008 and therefore, the provisional transmission charges for this asset become payable from that date. For other assets, the transmission charges are payable from 1.1.2008, the date of their commercial operation.

3. The investment approval for the transmission system was accorded by Ministry of Power vide its letter dated 23.7.2004 at an estimated cost of Rs.59647 lakh, which included IDC of Rs. 5289 lakh. Subsequently, the approval for the Revised Cost Estimate was accorded by Ministry of Power vide its letter dated 13.11.2007 at a cost of Rs. 68956 lakh which includes IDC of Rs. 3919 lakh.

4. The date of commissioning of the respective transmission asset, its 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.	LILO of Raipur-Rourkela 400 kV D/C transmission line at Raigarh and 400/220 kV Raigarh sub-station (part) with 1x315 MVA transformer	1.1.2008	8637.29	6752.64
2.	400/220 kV Raigarh sub-station (part) with 1x315 MVA transformer	1.2.2008	1403.10	1132.43
	<b>Total</b>		<b>8040.39</b>	<b>7885.07</b>

5. 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 yet to be audited.

6. The petition has been heard after notice to the respondents. M. P. Power Trading Company Limited, although it has not been impleaded as the respondents in the petition, in its reply have 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 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 and the issues will be examined then.

7. In respect of both the transmission assets, the capital expenditure on the date of commercial operation is less than the apportioned approved cost. Therefore, for the purpose of provisional tariff, we have considered the capital expenditure as on date of commercial operation as per para 4 above.

8. Depreciation rates have been reworked on the basis of the revised auditor's certificate and segregated O & M expenses for both the assets have been considered as furnished as in Form-2 attached with affidavit attested on 19.2.2008. Rates of interest on loan have been considered as given in the petition.

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

(Rs. in lakh)

	LILO of Raipur-Rourkela 400 kV D/C transmission line at Raigarh and 400/220 kV Raigarh sub-station (part) with 1x315 MVA transformer		400/220 kV Raigarh sub-station (part) with 1 x 315 MVA transformer	
	<b>2007-08 (Pro- rata)</b>	<b>2008-09</b>	<b>2007-08 (Pro- rata)</b>	<b>2008-09</b>
Return on equity	70.91	283.66	7.93	47.57
Depreciation	55.72 @ 3.30%	222.88 @ 3.30%	6.79 @ 3.60%	40.77 @ 3.60%
Advance Against Depreciation	0.00	0.00	0.00	0.00
Interest on loan	94.69	367.53	10.60	61.70
O & M expenses	73.50	305.88	21.09	131.60
Interest on working capital	9.02	36.35	1.42	8.67
<b>Total</b>	<b>303.84</b>	<b>1216.24</b>	<b>47.84</b>	<b>290.31</b>

10. We allow transmission charges tabulated above for the transmission asset, on provisional basis from the date of commercial operation 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 Commission's 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.

13. Accordingly, the petition stands disposed of.

**Sd/-**  
**(R.KRISHNAMOORTHY)**  
**MEMBER**  
New Delhi dated the 10<sup>th</sup> March 2008

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