

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 23/2008

In the matter of

Determination of provisional transmission tariff for 765 kV Sipat-Seoni Ckt -I, 765/400 kV ICT-I at Seoni (New sub-station) and LILO of 400 kV Bhilai-Satpura transmission line at Seoni & 400/220 kV ICT-I at Seoni sub-station along with two 220 kV transmission line bays commissioned under Sipat-I Transmission System in Western Region .

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 S.K.Niranjan, PGCIL
3. Shri M.M.Mondal, PGCIL
4. Shri Prashant Sharma, PGCIL

ORDER

(DATE OF HEARING: 22.4.2008)

The application has been made for approval of provisional transmission charges for 765 kV Sipat-Seoni Ckt -I, 765/400 kV ICT- I at Seoni (sub-station) and LILO of 400 kV Bhilai-Satpura line at Seoni & 400/220 kV ICT I at Seoni sub-station (the transmission assets) along with two 220 kV line bays commissioned under Sipat-I Transmission System (the transmission system) in Western Region 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 10.12.2003 at an estimated cost of Rs.167298 lakh, (including IDC of Rs. 12323 lakh) which included Rs. 145479 lakh for the petitioner's portion, and Rs. 21819 lakh for IPTC's portion. Subsequently, the approval for the Revised Cost Estimate was accorded by Ministry of Power vide its letter dated 5.3.2008 at an estimated cost of Rs. 233114 lakh.

3. 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 extracted 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.	765 kV Sipat-Seoni Ckt -I, 765/400 kV ICT- I at Seoni (new sub-station) and LILO of 400 kV Bhilai-Satpura transmission line at Seoni	1.11.2007	56770.79	50818.27
2.	400/220 kV ICT-I at Seoni sub-station along with two 220 kV transmission line bays	1.12.2007	2477.64	1889.61
	Total		59248.43	52707.88

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 yet to be audited.

5. The petition has been heard after notice to the respondents. M. P. Power Trading Company Limited, although it has not been impleaded as the respondent in the petition, 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 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.

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 asset:

(Rs. in lakh)

Period	765 kV Sipat-Seoni Ckt -I, 765/400 kV ICT- I at Seoni (new sub-station) and LILO of 400 kV Bhilai-Satpura transmission line at Seoni	400/220 kV ICT-I at Seoni sub-station along with two 220 kV transmission line bays
2007-08 (Pro-rata)	2748.27	138.65
2008-09	6532.17	416.63

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 3 above.

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

(Rs. in lakh)

	765 kV Sipat-Seoni Ckt -I, 765/400 kV ICT- I at Seoni (new sub-station) and LILO of 400 kV Bhilai-Satpura transmission line at Seoni		400/220 kV ICT-I at Seoni sub-station along with two 220 kV transmission line bays	
	2007-08 (Pro- rata)	2008-09	2007-08 (Pro- rata)	2008-09
Return on equity	889.46	2134.70	26.44	79.33
Depreciation	599.35 @ 2.83%	1438.45 @ 2.83%	22.82 @ 3.62%	68.46 @ 3.62%
Advance Against Depreciation	0.00	0.00	0.00	0.00
Interest on loan	1073.01	2500.95	43.18	125.03
O & M expenses	103.47	258.57	42.17	131.60
Interest on working capital	83.11	199.82	4.03	12.21

Total	2748.40	6532.48	138.65	416.63
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9. 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.

10. The petitioner shall file a fresh petition for approval of final tariff in accordance with the Commission's regulations on the subject, latest by 31.12.2008.

11. 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.

12. Accordingly, the petition stands disposed of.

Sd/-
(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 30th April 2008

sd/-
(BHANU BHUSHAN)
MEMBER