

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**Petition No. 35/2008**

**In the matter of**

Determination of provisional transmission tariff for LILO of 400 kV S/C Korba-Raipur transmission line at Bhatapara sub-station along with associated bay equipment including ICT-I of Bhatapara sub-station under Sipat-II transmission system of Western Region for the period from 1.12.2007 to 31.3.2009.

**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 Kendra, 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 Rakesh Prasad, PGCIL
6. Shri C.Kannan, PGCIL
7. Shri B.C.Pant, PGCIL
8. Shri A.K.Garg, MPPTCL

**ORDER**

**(DATE OF HEARING: 15.5.2008)**

The application has been made for approval of provisional transmission charges for LILO of 400 kV S/C Korba-Raipur transmission line at Bhatapara sub-station along with associated bay equipment including ICT-I of Bhatapara sub-station (the transmission assets) under Sipat-II transmission system ( the transmission

system) of Western Region for the period from 1.12.2007 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 letter dated 23.8.2004 at an estimated cost of Rs. 60190 lakh, which included IDC of Rs. 41.99 lakh. The apportioned approved cost of the transmission assets is Rs. 5795.00 lakh and the date of the commercial operation is 1.12.2007.

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

(Rs. in lakh)	
Expenditure up to 31.3.2007 (Audited)	3332.03
Expenditure from 1.4.2007 to 30.11.2007	1368.39
Balance estimated expenditure	1589.41
Total	<b>6289.83</b>

4. The expenditure up to 31.3.2007 has been verified from audited statement of accounts for the year 2006-07. For the period from 1.4.2007 to 30.11.2007 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. M. P. Power Trading Company Limited, although it has not been impleaded as the respondent 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.

6. The petitioner has claimed the following transmission charges based on the capital cost of Rs. 4700.42 lakh as on the date of commercial operation:

(Rs. in lakh)

Period	Transmission Charges
2007-08 (Pro rata)	304.71
2008-09	915.56

7. 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 of Rs. 4700.42 lakh as on date of commercial operation.

8. Based on the above, the provisional annual transmission charges are determined as follows in accordance with the 2004 regulations:

(Rs. in lakh)

	2007-08 (Pro rata)	2008-09
Return on equity	65.81	197.42
Depreciation	53.36	160.07
Advance against depreciation	0.00	0.00
Interest on loan	91.93	266.77
O & M expenses	84.61	264.02
Interest on working capital	9.00	27.26
<b>Total</b>	<b>304.71</b>	<b>915.54</b>

9. We allow transmission charges tabulated above for the transmission system, 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 following information/clarifications :-

(i) A certificate, duly signed by the Auditors, certifying the loan details, duly reconciled with audited accounts of 2007-08;

(ii) reconciliation of figures of depreciation given at page 39 and auditor certificate at page 26 of the present petition, which appears to have been interchanged.

12. Accordingly, the petition stands disposed of.

**Sd/-**  
**(R.KRISHNAMOORTHY)**  
**MEMBER**  
**New Delhi dated the 16<sup>th</sup> May 2008**

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