

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 44/2008

In the matter of

Determination of provisional transmission tariff for (i) 220 kV S/C Unchahar-Raibareilly transmission line along with associated bays at Raibareilly, LILO of 220 kV D/C Unchahar-Lucknow transmission line at Raibareilly and 100 MVA, 220/132 kV ICT III at Raibareilly along with associated bays and (ii) 100 MVA, 220/132 kV ICT II at Raibareilly sub-station along with associated bays for the period from date of commercial operation 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. BSES Yamuna Power Ltd., Delhi
12. BSES Rajdhani Power Ltd., New Delhi
13. North Delhi Power Limited, New Delhi
14. Chief Engineer, Chandigarh Administration, Chandigarh
15. Uttaranchal Power Corporation Ltd, Dehradun
16. North Central Railway, Allahabad

.....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 B.C.Pant, PGCIL
7. Shri Harmeet Singh, PGCIL
8. Shri C.Kannan, PGCIL
9. Shri Bharat Sharma, NDPL

ORDER
(DATE OF HEARING: 15.5.2008)

The application has been made for approval of provisional transmission charges for (i) 220 kV S/C Unchahar-Raibareilly transmission line along with associated bays at Raibareilly, LILO of 220 kV D/C Unchahar-Lucknow transmission line at Raibareilly and 100 MVA, 220/132 kV ICT III at Raibareilly along with associated bays (Asset-I), and (ii) 100 MVA, 220/132 kV ICT II at Raibareilly sub-station (the transmission assets) along with associated bays (Asset-II) under Unchahar-III Transmission System (the transmission system) for the period from date of commercial operation 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 Board of Directors of the petitioner company vide memorandum dated 2.5.2005 at an estimated cost of Rs.7346 lakh, which includes IDC of Rs. 392 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 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.	Asset-I	1.8.2007	5988.00	3725.44
2.	Asset-II	1.11.2007	1358.00	783.99
	Total		7346.00	4509.43

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. North Delhi Power Limited in its reply has raised certain issues, like line length, early commissioning etc. These issues 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. 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.

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

(Rs. in lakh)				
	Asset-I		Asset-II	
	2007-08 (Pro- rata)	2008-09	2007-08 (Pro- rata)	2008-09
Return on equity	104.29	156.44	13.71	32.90
Depreciation	75.03 @ 3.02%	112.54 @ 3.02%	10.85 @ 3.32%	26.03 @ 3.32%
Advance Against Depreciation	0.00	0.00	0.00	0.00
Interest on loan	152.77	214.76	20.17	46.76
O & M expenses	135.18	210.95	13.18	32.90
Interest on working capital	14.25	21.52	1.75	4.24
Total	481.52	716.21	59.65	142.82

8. 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.

9. 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.

10. 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.

11. Accordingly, the petition stands disposed of.

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

sd/--
(BHANU BHUSHAN)
MEMBER