

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 43/2008

In the matter of

Determination of provisional transmission tariff for (i) 400 kV D/C Biharshariff-Balia transmission line Ckt-I with associated bays (ii) 400 kV D/C Biharshariff-Balia transmission line Ckt-II with associated bays under Kahalgaon Stage-II, Phase-I Transmission System in Northern Region for the period 2004-09.

And in the matter of

Power Grid Corporation of India Ltd., 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 U.K.Tyagi, PGCIL
2. Shri V.V.Sharma, PGCIL
3. Shri B.C.Pant, PGCIL
4. Shri C.Kannan, PGCIL
5. Shri M.M.Mondal, PGCIL
6. Shri Harmeet Singh, PGCIL
7. Shri Bharat Sharma, NDPL

ORDER
(DATE OF HEARING: 15.5.2008)

The application has been made for approval of provisional transmission charges for (i) 400 kV D/C Biharshariff-Balia transmission line Ckt-I with associated bays (Asset-I), and (ii) 400 kV D/C Biharshariff-Balia transmission line, Ckt-II with associated bays (Asset-II) (the transmission assets) under Kahalgaon Stage-II, Phase-I Transmission System (the transmission system) in Northern 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.	Asset-I	1.9.2007	19031.32	33832.29
2.	Asset-II	1.11.2007	7878.32	12057.45

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. North Delhi Power Limited 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	Asset-I	Asset-II
2007-08 (Pro-rata)	2690.96	725.54
2008-09	4557.64	1726.52

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)			
		Asset-I	Asset-II
Capital cost	Claimed	33832.29	12057.45
	Allowed	19031.32	7878.32
Equity	Claimed	10149.29	3617.45
	Allowed	5709.17	2363.50
Loan	Claimed	23683.00	8440.00
	Allowed	13322.15	5514.82

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

	Asset-I		Asset-II	
	2007-08 (Pro- rata)	2008-09	2007-08 (Pro- rata)	2008-09
Return on equity	466.25	799.28	137.87	330.89
Depreciation	289.07 @ 2.60%	495.56 @ 2.60%	87.89 @ 2.68%	210.94 @ 2.68%
Advance Against Depreciation	0.00	0.00	0.00	0.00
Interest on loan	672.48	1118.51	200.24	467.46
O & M expenses	72.87	130.12	52.05	130.12
Interest on working capital	45.92	79.00	14.61	35.20
Total	1546.59	2622.46	492.67	1174.61

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 31.12.2008.

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 16th May 2008

sd/-
(BHANU BHUSHAN)
MEMBER