

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 36/2008

In the matter of

Determination of provisional transmission tariff of LILO of 1st Ckt of Patratu-Hatia-Chandil 220 kV D/C transmission line at Ranchi sub-station and LILO of 2nd Ckt of Patratu-Hatia-Chandil 220 kV D/C transmission line at Ranchi sub-station associated with 220 kV Interconnection with Jharkhand State Electricity Board system at Ranchi sub-station in Eastern Region for the period from date of commercial to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon
Vs
Jharkhand State Electricity Board , Ranchi

..Petitioner

.....Respondent

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

**ORDER
(DATE OF HEARING: 15.5.2008)**

The application has been made for approval of provisional transmission charges for LILO of 1st Ckt of Patratu-Hatia-Chandil 220 kV D/C transmission line at Ranchi sub-station (Asset-I) and LILO of 2nd Ckt of Patratu-Hatia-Chandil 220 kV D/C transmission line at Ranchi sub-station (Asset-II) (the transmission assets) associated with 220 kV Interconnection with the transmission system of Jharkhand State Electricity Board (the transmission scheme) at Ranchi sub-station in the State of Jharkhand for the period from date of commercial 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 scheme was accorded by Board of Directors of the petitioner company vide memorandum dated 9.2.2007 at an estimated cost of Rs. 1248 lakh, which included IDC of Rs. 0.16 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	1.6.2007	624.00	376.52
2.	Asset-II	1.11.2007	624.00	390.75
	Total		1248.00	767.27

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 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:

Period	(Rs. in lakh)	
	Asset-I	Asset-II
2007-08 (Pro-rata)	46.59	33.40
2008-09	55.26	56.66

6. The petition has been heard after notice to the respondent, who has not filed its reply.

7. In respect of 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 the 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)

	Asset-I		Asset-II	
	2007-08 (Pro- rata)	2008-09	2007-08 (Pro- rata)	2008-09
Return on equity	13.13	15.75	9.53	16.35
Depreciation	8.07 @ 2.57%	9.68 @ 2.57%	5.86 @ 2.57%	10.04 @ 2.57%
Advance Against Depreciation	0.00	0.00	0.00	0.00
Interest on loan	20.60	23.87	14.96	24.90
O & M expenses	3.43	4.29	2.06	3.68
Interest on working capital	1.37	1.66	0.98	1.69
Total	46.59	55.26	33.40	56.66

9. We allow transmission charges tabulated above for the transmission assets, 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. However, we would like to make an observation that the transmission assets, in the present case, being LILO of an existing SEB line should have been constructed and owned by the respondent. The petitioner has a much wider role as the Central Transmission Utility, and therefore, even if required to take up such construction for ensuring timely completion, should do so on deposit work basis preferably.

Sd/-
(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 21st May 2008

Sd/-
(BHANU BHUSHAN)
MEMBER