

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. Shri Ashok Basu, Chairman
2. Shri G.S. Rajamani, Member

Petition No. 19/2000

In the matter of

Approval of transmission tariff for Kaiga Transmission system in Southern Region.

And in the matter of

Power Grid Corporation of India Ltd. **Petitioner**

Vs

Karnataka Power Transmission Corp. Ltd. & others **Respondents**

The following were present:

1. Shri S.S. Sharma, AGM, PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri C. Kannan, PGCIL
4. Shri A.K. Nagpal, PGCIL
5. Shri S.K. Jain, Manager (Law), PGCIL
6. Shri H.S. Keshavamurthy, KPTCL

**ORDER
(DATE OF HEARING : 1-5-2003)**

We have heard Shri S.S. Sharma, AGM, on behalf of the petitioner and Shri H.S. Keshavamurthy, for respondent No.1. Despite notice, none is present on behalf of other respondents. On going through the petition and other records, we find that certain issues emerging from the data placed by the petitioner on record need to be explained :-

(a) The transmission system was originally approved by Board of Directors of the petitioner company vide Memo dated 12.4.1994, at an estimated cost of Rs.29.03 crore, including IDC of Rs.3.32 crore. Subsequently, the Board of Directors during February 1999 approved RCE of Rs.53.56 crore. In the amended petition filed on 4.12.2001, it was stated that the cost was to be further revised to Rs.57.53 crore. The representative of the petitioner has stated before us that approval for the revised cost estimates of Rs.57.53 crore had been accorded by the Board of Directors. We direct that a copy of the revised cost estimates approval be placed on record by the petitioner. The petitioner is further directed to explain the reasons for cost overrun, that is, for increase of cost from the original sanction of Rs.29.03 crore to Rs.57.53 crore.

(b) CA certificate enclosed with the petition does not contain the details of year-wise and asset-wise capital expenditure. The petitioner is directed to furnish the revised CA certificate which should contain details of year-wise and asset-wise capital expenditure, commencing from the date of commercial operation.

(c) The petitioner has filed an affidavit on 26.3.2003, which contains the corporate loan allocation details to different transmission systems. The details of corporate loan allocated to this transmission system were earlier filed in the present petition. The details contained in the affidavit filed on 26.3.2003 and those contained in the amended petition are at variance as shown below :-

	As per the petition			As per affidavit dated 26.03.2003		
Sl. No.	Particulars	Rs. in Lakh	Rate of Interest	Particulars	Rs. in Lakh	Rate of Interest
1	Bond III (I Series)	99.00	13.50%	Bond III	85.34	9.75%
2	Bond III (II Series)	580.00	16.30%	Bond III	13.66	13.50%
3	Bond IV (I Series)	620.00	17.07%	Bond IV (I)	-	-

The petitioner shall clarify the reasons for variations in amount of loan as also the rate of interest and their impact on capital cost and IDC, if any.

2. The representative of the petitioner has prayed for time up to 7.5.2003 for placing the above details/clarifications on record with advance copy to the respondents. We allow time as prayed for. Let the information be filed by 7.5.2003 duly supported by affidavit, with advance copy to the respondents.

3. Subject to above, order reserved.

Sd/-
(G.S. RAJAMANI)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 1st May 2003