

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

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| 3. Shri Bhanu Bhushan, Member | 1. Shri Ashok Basu, Chairman
2. Shri K.N. Sinha, Member
4. Shri A.H. Jung, Member |
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Petition No. 140/2004

In the matter of

Approval for determination of provisional transmission tariff for 220 kV Allahabad-Phulpur S/C Transmission Line under System Improvement Scheme in Uttar Pradesh in Northern Region for the period from 1.6.2004 to 31.3.2009.

And in the matter of

Power Grid Corporation of India Ltd.

...**Petitioner**

Vs

Uttar Pradesh Power Corporation Ltd, Lucknow

....

...**Respondent**

The following were present

1. Shri Arvind Manglik (ED), PGCIL
2. Shri P.C.Pankaj, AGM, PGCIL
3. Shri U.K. Tyagi, DGM, PGCIL
4. Shri M.M. Mondal, PGCIL
5. Shri C. Kanan, PGCIL
6. Shri A.K. Tandon, EE, UPPCL
7. Shri H.C. Verma, EE, UPPCL

ORDER

(DATE OF HEARING : 26.4.2005)

This petition has been filed for approval of provisional tariff for 220 kV Allahabad-Phulpur S/C Transmission Line under the System Improvement Scheme in Uttar Pradesh for the period from 1.6.2004 to 31.3.2009.

2. The administrative approval for the entire System Improvement Scheme in Uttar Pradesh has been accorded by the Board of Directors of the petitioner company under letter dated 14.1.2002 at a total cost of Rs. 22.57 crore, including IDC of Rs. 1.07 crore. The apportioned cost of this asset, that is, 220 kV Allahabad-Phulpur S/C Transmission Line, as indicated by the petitioner, is Rs. 963 lakh. It has been stated that the assets were put into commercial operation with the effect from 1.6.2004, which otherwise were scheduled to commence operation from April 2003. The following details of expenditure have been furnished by the petitioner:

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|-----|---|-------------------|
| (a) | Expenditure up to 31. 3.2004 (Actual audited accounts) | - Rs.1416.34 lakh |
| (b) | Expenditure from 1.4.2004 to 1.6.2004 (Provisional accounts) | - Rs. 46.34 lakh |
| (c) | Expenditure from 1.6.2004 to 30.6.2004 (Provisional Accounts) | - Rs. 0.67 lakh |
| (d) | Balance anticipated expenditure | - Rs. 48.26 lakh |
| (e) | Total anticipated completion cost | - Rs.1511.61 lakh |

3. The delay of 13 months in commissioning of the assets has been explained by the petitioner. It is stated that at the time of preparation of Feasibility Report in November 2001, the crossing of Ganga river, with two river crossing towers on open cast foundations was envisaged. However, during construction it was found that the banks were eroded and the width of the river had increased, and the necessity of providing midstream tower was felt. After soil investigation and analysis, it was decided to construct one pile foundation in the midstream along with two numbers of open cast foundation and award for the same was placed on 7.1.2003. Again, unprecedented rains created hindrance in completion of the entire civil works including erection of

tower, which could ultimately be completed only in April 2004 and the line was commissioned on 23.5.2004.

4. For the present, however, we are not recording any opinion on the reasons for delay furnished by the petitioner.

5. A total expenditure of Rs.1462.68 lakh is stated to have been incurred upto 1.6.2004, the date of commercial operation and further expenditure of Rs.0.67 lakh was incurred during the period 1.6.2004 to 30.6.2004. The total estimated completion cost, including the balance anticipated expenses of Rs.48.26 lakh, thus, works out to Rs.1511.61 lakh. The increase in completion cost vis-à-vis the approved cost has largely been attributed to the variation on account of providing pile foundation in the Ganga river. At the hearing it was stated by the representative of the petitioner that the estimated completion cost of the total scheme, including 220 kV Allahabad-Phulpur line, will still be within the total approved cost of Rs.22.57 crore for the System Improvement Scheme. On consideration of this, for deciding the provisional tariff, we have considered the expenditure of Rs.1462.68 lakh incurred upto the date of commercial operation (1.6.2004), which has been certified by Chartered Accountant vide certificate dated 10.8.2004, as furnished by the petitioner with the petition.

6. Accordingly, we allow an annual tariff of Rs.164 lakh for the asset covered by the petition, on provisional basis from the date of commercial operation subject to adjustment after determination of final tariff. The provisional tariff is based on 85% of the tariff corresponding to the expenditure of Rs. 1462.68 incurred upto 1.6.2004.

7. The petitioner shall file a revised petition for determination of final tariff based on actual capital expenditure incurred upto the date of commercial operation, that is, 1.6.2004, duly audited and certified by the statutory auditor(s) by 31.10.2005

8. With the above observations, the present petition stands disposed of.

Sd/-
(A.H. JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 30th May 2005