

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

CORAM:

1. **Shri Ashok Basu, Chairman,**
2. **Shri K.N. Sinha, Member**
3. **Shri Bhanu Bhushan, Member**

Petition No. 118/2002

In the matter of

Approval of Tariff for strengthening of 220 kV transmission system under system improvement scheme in Northern Region for the period from 1.1.2003 to 31.3.2004.

And in the matter of

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

Vs

Uttar Pradesh Power Corporation Ltd. ... **Respondent**

The following were present:

1. Shri U.C. Misra, Dir (Pers.), PGCIL
2. Shri Umesh Chandra, ED, PGCIL
3. Shri P.C. Pankaj, AGM, PGCIL
4. Shri U.K. Tyagi, DGM, PGCIL
5. Shri D.D. Dhayaseelan, PGCIL
6. Shri C. Kannan, CM, PGCIL
7. Shri A.K. Tandon, EE, UPPCL
8. Shri Shri S.P. Srivastava, EE, UPPCL

ORDER

(DATE OF HEARING: 6.4.2004)

It has been stated that implementation of 220 kV transmission system under the system improvement scheme in UP, comprising of the following elements, was approved by the Board of Directors of the petitioner company in its 124th meeting held on 18.12.2001 at an estimated cost of Rs.2257.00 lakh, including IDC of Rs.107.00 lakh:

Transmission Line

- (a) Allahabad-Rewa Road 220 kV D/C line
- (b) Allahabad-Phulpur 220 kV S/C line
- (c) LILO of Modipuram-Simbholi 220 kV line at Meerut (PG)

- (d) LILO of Modipuram-Muzzafarnagar (Nara) 220 kV line at Meerut (PG)
- (e) Meerut (PG)-Shatabdi Nagar 220 kV S/C line sub-station.

Sub-station

Provision of communication facility between Karamnasa and Sahupuri 132 kV sub-stations.

2. The estimated completion cost of the assets as also the actual/anticipated date of commissioning of the different elements, except Allahabad-Phulpur 220 kV S/C line, for which the tariff petition is made, are as under:

Name of the asset	Date of commissioning	Estimated Completion Cost (Rs. in lakh)
(a) Allahabad-Rewa Road 220 kV D/C line		
(i) Circuit I	1.1..2003	110.07
(ii) Circuit II	1.8.2003	49.39
(b) LILO of Modipuram-Simbholi 220 kV line at Meerut (PG)	1.7.2003	282.54
(c) LILo of Modipuram-Muzaffarnagar (Nara) 220 kV line at Meerut	1.4.2003	106.51
(d) Meerut (PG)-Shatabdi Nagar 220 kV S/C line	1.3.2004 (Anticipated)	162.46

3. A prayer has been made for approval of tariff based on the above estimated completion costs and dates of commercial operation, in accordance with the terms and conditions of tariff contained in the Commission's notification dated 26.3.2001.

4. The following expenditure has been incurred, as per the auditors' certificate dated 8.12.2003.

Name of the asset	Expenditure incurred (Rs. in lakh)	Expenditure up to DOCO (Rs. in lakh)
(a) Allahabad-Rewa Road 220 kV D/C line		
(i) Circuit I - up to 31.12.2002 (Audited accounts)	110.07	110.07
Beyond 31.12.2002	0.00	

(ii)	Circuit II - up to 31.3.2003 (Audited accounts)	47.44	
	1.4.2003 to 31.7.2003 (Provisional accounts)	1.95	49.39
	Beyond 31.7.2003	0.00	
(b)	LILO of Modipuram-Simbholi 220 kV line at Meerut (PG)		
	up to 31.3.2003 (Audited accounts)	260.78	
	1.4.2003 to 30.6.2003 (Provisional accounts)	5.27	266.05
	1.7.2003 to 30.9.2003 (Provisional accounts)	4.35	
	Balance anticipated expenditure	12.14	
(c)	LILO of Modipuram-Muzaffargar (Nara) 220 kV line at Meerut (PG)		
	up to 31.3.2003 (Audited accounts)	100.31	
	1.4.2003 to 30.9.2003 (Provisional accounts)	1.15	100.31
	Balance anticipated expenditure	5.05	
(d)	Meerut (PG)-Shatabdi Nagar 220 kV S/C line		
	Up to 31.3.2003 (Audited accounts)	134.10	
	1.4.2003 to 30.9.2003 (Provisional accounts)	15.81	149.91
	Balance anticipated expenditure	12.55	

5. The petitioner is likely to take some more time to place on record the complete audited accounts in respect of all the elements of the transmission system. Therefore, it is not possible to determine final tariff at this stage. We do not consider it appropriate to keep the petition pending. Accordingly, we dispose of the petition with the direction that the petitioner shall be entitled to the annual tariff to be paid on pro rata basis from the actual date of commercial operation, for the assets covered by the petition, on provisional basis from the date of commercial operation of the respective element of the transmission system on the basis of actual expenditure up to the date of commercial operation or 30.9.2003 (whichever is earlier) as per para 4 above, and subject to retrospective adjustment after determination of final tariff: The provisional tariff is further restricted to the lower of 90% of approved apportioned cost, and 90% of the estimated completion cost, as per an earlier decision of the Commission, as elaborated in tabulation below:

(Rs. in lakh)

Name of the asset	Expenditure up to DOCO	Apportioned approved cost		Anticipated completion cost		Tariff allowed on	Annual provisional tariff
		Full	90%	Full	90%		
(a) Allahabad-Rewa Road 220 kV D/C line							
(i) Circuit I	110.07	89.00	80.10	110.07	99.06	80.10	12.11
(ii) Circuit II	49.39	41.00	36.90	49.39	44.45	36.90	6.54
(b) LILO of Modipuram-Simbholi 220 kV D/C line at Meerut (PG)	266.05	354.00	318.60	282.54	254.29	254.29	45.83
(c) LILO of Modipuram-Muzaffarnagar (Nara) 220 kV line at Meerut	100.31	217.00	195.30	106.51	95.86	95.86	15.77
(d) Meerut (PG)-Shatabdi Nagar 220 kV S/C line	149.91	614.00	552.60	162.46	146.21	146.21	25.60

6. The petitioner shall be entitled to other charges like reimbursement of income tax, development surcharge, etc. in accordance with the Commission's notification dated 26.3.2001.

7. The petitioner is granted liberty to approach the Commission for approval of final tariff based on the audited accounts.

8. The petition stands disposed of in above terms.

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 23rd June 2004