

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

1. **Dr. Pramod Deo, Chairperson**
2. **Shri R.Krishnamoorthy, Member**
3. **Shri S.Jayaraman, Member**
4. **Shri V.S.Verma, Member**

**Petition No. 55/2009**

**In the matter of**

Determination of provisional transmission tariff for 2nd 400/220 kV, 315 MVA Auto transformer and 2nd 400 kV, 63 MVAR Bus Reactor at Tirunelveli sub-station along with associated bays and equipment under transmission system associated with Kudankulam Atomic Power Project (2x1000MW) from the date of commercial operation to 31.3.2009 in Southern Region.

**And in the matter of**

Power Grid Corporation of India Ltd, Gurgaon .... **Petitioner**  
Vs

1. Karnataka Power Transmission Corporation Ltd, Bangalore
2. Transmission Corporation of Andhra Pradesh Ltd., Hyderabad
3. Kerala State Electricity Board, Thiruvananthapuram
4. Tamil Nadu Electricity Board, Chennai
5. Electricity Department of Pondicherry, Pondicherry .... **Respondents**

**The following were present:**

1. Shri V.V.Sharma PGCIL
2. Shri A.K.Nagpal, PGCIL
3. Shri Mohd. Mohsin, PGCIL
4. Shri B.C.Pant, PGCIL
5. Shri M.M.Mondal, PGCIL

**ORDER  
(DATE OF HEARING: 21.4.2009)**

The application has been made for approval of provisional transmission charges for 2nd 400/220 kV, 315 MVA Auto transformer and 2nd 400 kV, 63 MVAR Bus Reactor at Tirunelveli sub-station (the transmission asset) along with associated bays and equipment under transmission system associated with Kudankulam Atomic Power Project (2x1000 MW) (the transmission system) from date of commercial operation to 31.3.2009 in Southern Region, 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 25.5.2005 at an estimated cost of Rs. 177929 lakh, including IDC of Rs 7141 lakh.

3. The date of commissioning of the transmission asset, its apportioned approved cost and the actual cost as on the date of commercial operation, as given by the petitioner are as under:

Date of commercial operation	Apportioned approved cost (Rs. in lakh)	Capital cost as on the date of commercial operation (Rs. in lakh)
1.11.2008	2169.00	2812.17

4. The expenditure up to 31.3.2008 has been verified from the audited statement of accounts for the year 2007-08. For the period from 1.4.2008 to the date of commercial operation, 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 of Rs. 2812.17 lakh as on the date of commercial operation:

Period	(Rs. in lakh) Transmission charges
2008-09 (Pro rata)	196.60

6. The petition has been heard after notice to the respondents. Tamil Nadu Electricity Board (TNEB) in its reply has raised the issues of foreign exchange rate, O & M expenses and mandatory spares, etc. These issues 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, particularly so, when the tariff is being allowed based on the apportioned approved cost, which is less than the cost on the date of commercial operation. 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.

7. The capital expenditure on the date of commercial operation exceeds the apportioned approved cost. Therefore, for the purpose of provisional tariff we have considered the apportioned approved cost.

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

(Rs. in lakh)	
	<b>2008-09(Pro rata)</b>
Depreciation	32.54 @3.60%
Interest on Loan	44.93
Return on Equity	37.93
Advance against Depreciation	0.00
Interest on Working Capital	4.82
O & M Expenses	41.13
<b>Total</b>	<b>161.34</b>

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 30.9.2009.

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. The petitioner shall also furnish the justification for cost over and time over-run with documentary evidence.

Sd/-	sd/-	sd/-	sd/-
<b>(V. S. VERMA)</b> MEMBER	<b>(S. JAYARAMAN)</b> MEMBER	<b>(R.KRISHNAMOORTHY)</b> MEMBER	<b>(DR.PRAMOD DEO)</b> CHAIRPERSON
<b>New Delhi dated the 21<sup>st</sup> April 2009</b>			