

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 76/2009

In the matter of

Revision of transmission tariff due to de-capitalization and additional capital expenditure incurred during 2008-09 for 400 kV Ramagundam Transmission System, including ICT at Khammam and Reactor at Gazuwaka under CTP Augmentation in Southern Region for the period from 1.4.2008 to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited, New Delhi

... **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, Govt. of Pondicherry, Pondicherry
6. Eastern Power Distribution Company of Andhra Pradesh Limited, Vishakhapatnam
7. Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati
8. Central Power Distribution Company of Andhra Pradesh Limited, Hyderabad
9. Northern Power Distribution Company of Andhra Pradesh Limited, Warangal

...**Respondents**

ORDER

The transmission charges for the transmission assets were approved by the Commission in its order dated 2.5.2006 in Petition No. 130/2004 for the period 1.4.2004 to 31.3.2009 based on capital cost of Rs. 38170.20 lakh as on 1.4.2004. Subsequently, the transmission charges were revised vide order dated 17.3.2008 in terms of the judgment dated 4.10.2006 of the Appellate Tribunal in Appeal No. 135 of 2005 and other related appeals.

2. The petitioner had filed this petition seeking approval for revision of tariff by taking into account the additional capital expenditure during 2008-09. After hearing the parties, the Commission vide its order dated 7.8.2004 awarded the revised transmission tariff for the period 1.4.2008 to 31.3.2009.

3. While revising the transmission tariff, the Commission in para 15 of its order dated 7.8.2009 ibid indicated the following debit equity ratio:

“DEBT- EQUITY RATIO

15. The petitioner has considered the amount of additional capitalization and de-capitalization in the debt-equity ratio of 70:30. This has been found to be in order. Accordingly, for the purpose of tariff, equity considered for the transmission assets is as under:

(Rs. in lakh)

Equity as on 1.4.2008	Notional additional equity during 2008-09	Average equity for 2008-09	Total equity considered as on 31.3.2009
17541.21	61.56	17571.99	17602.77

4. It has come to the notice of the Commission that a ministerial and clerical error has crept in the above para, which needs to be corrected. Accordingly, we direct that for the para of the order dated 7.8.2009 shall be substituted as under:

“15. The petitioner has considered the amount of additional capitalization in the debt-equity ratio of 70:30 and de-capitalization in the debt-equity ratio of 50.04:45.96. However, as per Note 1 of regulation 53 of the 2004 regulations, additional capital expenditure allowed under clause 53(1) or 53(2) shall be serviced in the normative debt-equity ratio as specified in clause 54. Net value of the additional expenditure considered as per clause 53(2)(iv) is Rs. 205.21 lakh, with additional capital expenditure being Rs. 293.07

lakh and decapitalisation amounting to Rs. 87.86 lakh. Accordingly, debt- equity ratio of 70:30 has been considered on the net value of additional expenditure amounting to Rs. 205.21 lakh. Based on the above, equity considered for the purpose of tariff, in respect of the transmission assets is as under:

(Rs. in lakh)

Equity as on 1.4.2008	Notional additional equity during 2008-09	Average equity for 2008-09	Total equity considered as on 31.3.2009
17541.21	61.56	17571.99	17602.77

5. The above correction has no impact on tariff approved by order dated 7.8.2009.

(V.S.VERMA)
MEMBER

(R.KRISHNAMOORTHY)
MEMBER

(DR.PRAMOD DEO)
CHAIRPERSON

New Delhi dated the 10th December 2009