

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. Dr. Pramod Deo, Chairperson
2. Shri Bhanu Bhushan, Member
3. Shri R.Krishnamoorthy, Member
4. Shri S.Jayaraman, Member

Petition No.151/2008

In the matter of

Determination of provisional transmission tariff for 315 MVA 400/220 kV ICT-I along with associated bays and twin no 220 kV line bays at Kankroli sub-station under RAPP 5 and 6 transmission system in Northern Region from 1.8.2008 to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon

..Petitioner

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur
2. Ajmer Vidyut Vitaran Nigam Ltd., Ajmer
3. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
4. Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur
5. Himachal Pradesh State Electricity Board, Shimla
6. Punjab State Electricity Board, Patiala
7. Haryana Power Purchase Centre, Panchkula
8. Power Development Department, Govt. of J&K, Jammu
9. Uttar Pradesh Power Corporation Ltd, Lucknow
10. Delhi Transco Ltd, New Delhi
11. BSES Yamuna Power Limited, New Delhi
12. BSES Rajdhani Power Ltd., New Delhi
13. North Delhi Power Ltd., New Delhi
14. Chief Engineer, Chandigarh Administration, Chandigarh
15. Uttaranchal Power Corporation Ltd, Dehradun
16. North Central Railway, Allahabad

.....Respondents

The following were present:

1. Shri U.K. Tyagi, PGCIL
2. Shri Prashant Sharma, PGCIL
3. Shri M.M.Mondal, PGCIL
4. Shri Rakesh Prasad, PFCIL
5. Shri S.S. Raju, PGCIL

**ORDER
(DATE OF HEARING: 23.12.2008)**

The application has been made for approval of provisional transmission charges for 315 MVA 400/220 kV ICT-I along with associated bays & twin no 220 kV

line bays at Kankroli sub-station under RAPP 5 & 6 transmission system (the transmission system) in Northern Region for the period from 1.8.2008 to 31.3.2009, 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 3.6.2005 at an estimated cost of Rs. 49945 lakh, including IDC of Rs. 2238 lakh. It has been stated that the revised cost estimate is under approval.

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)
1.8.2008	2324.76	2828.81

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. 2828.81 lakh as on the date of commercial operation:

(Rs. in lakh)	
Period	Transmission charges
2008-09(Pro rata)	365.15

6. The petition has been heard after notice to the respondents. None has filed a reply.

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)	
2008-09(Pro rata)	
Depreciation	54.51 @3.52%
Interest on Loan	99.61
Return on Equity	65.09
Advance against Depreciation	0.00
Interest on Working Capital	9.25
O & M Expenses	87.73
Total	316.20

9. We allow transmission charges tabulated above for the transmission asset, on provisional basis from the date of commercial operation, subject to adjustment after determination of final tariff.

10. The petitioner shall file a petition for approval of final tariff in accordance with the 2004 regulations on the subject, latest by 30.6.2009.

11. The Commission in its order dated 28.3.2008 in *suo-motu* Petition No. 85/2007 regarding sharing of transmission charges, relevant para extracted hereunder, had decided to segregate cost of ICTs and downstream system for the purpose of the payment of tariff:

“ 6. The segregation of step-down transformers and downstream systems has been proposed by the Commission on the guiding criterion that they primarily serve the local beneficiary only. The segregation is considered as the first step in the direction of rationalization of transmission charge sharing, in line with the mandate for bringing in distance and direction sensitivity. At the same time, the Commission is conscious of the difficulties in segregation of transmission charges for the existing assets, and has been persuaded that the required effort may not be worthwhile. Taking all relevant aspects into account, it has been decided to let all step down transformers (ICTS) and downstream systems presently in commercial operation or in the pipeline continue on pooled basis as presently agreed and in vogue. However, transmission charges for all such transformers and down stream systems under the inter-State transmission schemes yet to be brought

under commercial operation shall be segregated from the rest of the scheme, and shall be payable only by the beneficiary directly served. ”

12. The transmission assets covered in this petition fall in the above category, and their transmission charges are payable only by the first four respondents. While making the application for approval of final tariff, the petitioner shall take into account the above observation. The petitioner shall file a certificate, duly certified by the Auditors, certifying the actual capital expenditure up to the date of the commercial operation with loan details, duly reconciled with audited accounts of 2007-08, and shall also furnish the detailed justification for time over-run and cost over-run, if any.

Sd/- (S.JAYARAMAN) MEMBER **Sd/- (R.KRISHNAMOORTHY) MEMBER** **Sd/- (BHANU BHUSHAN) MEMBER** **Sd/- (DR.PRAMOD DEO) CHAIRPERSON**
New Delhi dated the 9th January 2009