

**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.102/2009**

**In the matter of**

Determination of provisional transmission tariff for (i) 400 kV D/C Ranchi-Sipat transmission line with associated bays at Ranchi and Sipat sub-station and (ii) 40% FSC of 400 kV Ranchi-Sipat D/C transmission line at Ranchi sub-station under Kahalgaon Stage-II, Phase-II Transmission System in Western region and Eastern region for the period up to 31.3.2009.

**And in the matter of**

Power Grid Corporation of India Limited, Gurgaon

**..Petitioner**

Vs

1. Madhya Pradesh Power Trading Company Ltd., Jabalpur
2. Maharashtra State Electricity Distribution Co. Ltd., Mumbai
3. Gujarat Urja Vikas Nigam Ltd., Vadodara
4. Electricity Deptt., Govt., of Goa, Panaji
5. Electricity Department, Administration of Daman and Diu, Daman
6. Electricity Department, Administration of Dadra Nagar Haveli, Silvassa
7. Chhattisgarh State Electricity Board, Raipur
8. Madhya Pradesh Audyogik Kandra, Indore

**.....Respondents**

**The following were present:**

1. Shri U.K.Tyagi, PGCIL
2. Shri V.V.Sharma, PGCIL
3. Shri Mohd. Mohsin, PGCIL
4. Shri J.Majumdar, PGCIL
5. Shri D.Khandelwal, MPPTCL
6. Shri Dilip Singh, PGCIL

**ORDER**

**(DATE OF HEARING: 23.6.2009)**

The application has been made for approval of provisional transmission charges for (i) 400 kV D/C Ranchi-Sipat transmission line with associated bays at Ranchi and Sipat sub-station (Asset-I) and (ii) 40% FSC of 400 kV Ranchi-Sipat D/C transmission line at Ranchi sub-station (Asset-II) under Kahalgaon Stage-II, Phase-II Transmission System (the transmission system) in Western region and Eastern

region from the date of commercial operation 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 Government of India vide its letter dated 24.1.2005 at an estimated cost of Rs.46402 lakh, including IDC of Rs.2898 lakh. Subsequently, revised cost estimate was approved by Board of Directors of the petitioner company vide Memorandum dated 16.2.2009 for an estimated cost of Rs. 57284 lakh including IDC of Rs. 5770 lakh.

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

S.No.	Name of Asset	Date of commercial operation	Apportioned approved cost (Rs. in lakh)	Capital cost as on date of commercial operation (Rs. in lakh)	Balance estimated cost (Rs. in lakh)	Estimated completion cost (Rs. in lakh)
1.	Asset-I	1.1.2009	53485.98	48668.42	2958.82	51627.24
2.	Asset-II	1.3.2009	3797.98	3273.82	570.00	3843.82

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 petition has been heard after notice to the respondents. M. P. Power Trading Company Limited in its reply has raised certain issues which are relevant for consideration while determining final tariff. Since the present petition is for provisional tariff only, the issues raised are not being gone into at this stage. 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.

6. The petitioner has claimed the following provisional transmission charges based on the capital cost as on the date of commercial operation of the respective transmission asset:

Period	(Rs. in lakh)	
	Asset-I	Asset-II
2008-09 (Pro rata)	1765.67	45.87

7. In respect of the transmission assets, the capital expenditure on the date of commercial operation is less than the apportioned approved cost. Therefore, for the purpose of provisional tariff, we have considered the capital expenditure as on date of commercial operation as per para 3 above.

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

	Rs. in lakh)	
	Asset-I	Asset-II
	<b>2008-09 (Pro rata)</b>	<b>2008-09 (Pro rata)</b>
Depreciation	326.03 @ 2.68%	9.82 @ 3.60%
Interest on loan	789.90	17.79
Return on equity	511.02	11.45
Advance Against Depreciation	0.00	0.00
Interest on working capital	51.84	1.33
O & M expenses	86.87	5.48
<b>Total</b>	<b>1765.66</b>	<b>45.88</b>

9. We allow the 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 31.10.2009.

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 2008-09.

12. Accordingly, the petition stands disposed of.

<b>Sd/-</b>	<b>sd/-</b>	<b>sd/-</b>	<b>sd/-</b>
<b>(V.S. VERMA)</b>	<b>(S.JAYARAMAN)</b>	<b>(R.KRISHNAMOORTHY)</b>	<b>(DR.PRAMOD DEO)</b>
<b>MEMBER</b>	<b>MEMBER</b>	<b>MEMBER</b>	<b>CHAIRPERSON</b>

New Delhi dated the 23rd June 2009