

**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. 169/2008**

**In the matter of**

Determination of provisional transmission tariff for 220 kV D/C Vapi-Magarwada transmission line and 220 kV D/C Vapi-Khardapada transmission line along with associated bays associated with WRSS-III transmission system in Western Region for the period from the date of commercial operation to 1.3.2009.

**And in the matter of**

Power Grid Corporation of India Limited, Gurgaon

**..Petitioner**

Vs

1. Madhya Pradesh Power Transmission Company Ltd., Jabalpur
2. Maharashtra State Electricity Distribution Co. Ltd., Mumbai
3. Gujarat Urja Vikas Nigam Ltd., Vadodara
4. Electricity Deptt., Govt., of Goa, Panji
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 V.V.Sharma, PGCIL
2. Shri S.K.Niranjan, PGCIL
3. Shri Mehesh Kumar, PGCIL

**ORDER  
(DATE OF HEARING: 12.3.2009)**

The application has been made for approval of provisional transmission charges for 220 kV D/C Vapi-Magarwada transmission line (Asset-I) and 220 kV D/C Vapi-Khardapada transmission line (Asset-II) along with associated bays associated with WRSS-III transmission system (the transmission system) in Western Region from the date of commercial operation of the respective asset 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 Board of Directors of the petitioner company vide memorandum dated 20.2.2006 at an estimated cost of Rs.7565 lakh which included IDC of Rs. 219 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, 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)
1.	Asset-I	1.5.2008	3633.00	1318.66
2.	Asset-II	1.7.2008	2887.00	1086.05
	<b>Total</b>		<b>6520.00</b>	<b>2404.71</b>

4. The expenditure up to 31.4.2008 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. No reply has been filed by any one of them.

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)	243.97	177.26

7. The petitioner's claim is based on equity exceeding 30% of the capital cost stated to be actually deployed on the date of commercial operation. For the purpose of provisional tariff, equity as claimed has been allowed.

8. In respect of both the 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.

9. 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	34.88 @ 2.89	23.62 @2.90
Interest on loan	78.26	52.99
Return on equity	50.77	34.21
Advance Against Depreciation	0.00	0.00
Interest on working capital	7.21	5.24
O & M expenses	72.85	61.18
<b>Total</b>	<b>243.97</b>	<b>177.25</b>

10. 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.

11. 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.

12. 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.

13. Accordingly, the petition stands disposed of.

**Sd/-**  
**(V.S. VERMA)**  
**MEMBER**

**sd/-**  
**(R.KRISHNAMOORTHY)**  
**MEMBER**

**sd/-**  
**(DR.PRAMOD DEO)**  
**CHAIRPERSON**

**New Delhi dated the 13<sup>th</sup> March 2009**