

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri R.Krishnamoorthy, Member**
2. **Shri V.S.Verma, Member**

Petition No. 82/2009

In the matter of

Determination of provisional transmission tariff for (i) 400/220 kV Damoh sub-station with ICT-I along with associated bays (ii) 400/220 kV 315 MVA ICT-II along with associated 400 kV and 220 kV bays at Damoh sub-station and (iii) 400 kV 63 MVAR factor along with associated 400 kV bay at Damoh sub-station under WRSS-IV transmission system in Western Region from the date of commercial operation to 31.3.2009.

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, 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 M.M.Mondal, PGCIL
3. Shri S.K.Niranjan, PGCIL
4. Shri D.Khandelwal, MPPTCL

**ORDER
(DATE OF HEARING: 19.5.2009)**

The application has been made for approval of provisional transmission charges for 400/220 kV Damoh sub-station with ICT-I along with associated bays (Asset-I), 400/220 kV 315 MVA ICT-II along with associated 400 kV and 220 kV bays at Damoh sub-station (Asset-II), and 400 kV 63 MVAR factor along with associated 400 kV bay at Damoh sub-station (Asset-III) under WRSS-IV transmission system (the transmission scheme) 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 scheme was accorded by Board of Directors of petitioner company vide its Memorandum dated 19.4.2006 at an estimated cost of Rs. 9722.00 lakh, including IDC of Rs.441.00 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	1.9.2008	5178.77	4203.67	455.47	4659.14
2.	Asset-II	1.12.2008	1550.36	1249.79	141.79	1391.58
3.	Asset-III	1.1.2009	2992.87	1777.28	887.30	2664.58

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	Asset-III
2008-09 (Pro rata)	439.49	106.77	73.52

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	Asset-III
	2008-09 (Pro rata)	2008-09 (Pro rata)	2008-09 (Pro rata)
Depreciation	85.32 @ 3.48%	14.45 @ 3.47%	15.54 @ 3.50%
Interest on loan	161.63	27.83	28.96
Return on equity	102.99	17.49	18.66
Advance Against Depreciation	0.00	0.00	0.00
Interest on working capital	12.76	3.14	2.13
O & M expenses	76.77	43.87	8.23
Total	439.47	106.77	73.52

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 31.7.2009.

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.

Sd/-
(V.S.VERMA)
MEMBER
New Delhi dated the 20th May 2009

sd/-
(R.KRISHNAMOORTHY)
MEMBER