

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

**Shri V.S. Verma, Member
Shri M. Deena Dayalan, Member**

Date of Order: 9.9.2013

IN THE MATTER OF

**Petition No. 165/TT/2013
Docket No. 97/2013**

Provisional transmission tariff from date of commercial operation to 31.3.2014 for LILO of existing Bangalore-Salem 400 kV S/C at Hosur (anticipated date of commercial operation 1.11.2013) under System Strengthening-XVIII in Southern Regional Grid.

AND IN THE MATTER OF

Power Grid Corporation of India Limited, Gurgaon

....**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 Generation and Distribution Corporation Limited, Chennai
5. Electricity Department, Government of Goa, Goa
6. Electricity Department, Government of Pondicherry
7. Eastern Power Distribution Company of Andhra Pradesh Ltd., Vishakhapatnam, Andhra Pradesh
8. Southern Power Distribution Company of Andhra Pradesh Ltd., Tirupati, Andhra Pradesh



9. Central Power Distribution Company of Andhra Pradesh Ltd., Hyderabad, Andhra Pradesh
10. Northern Power Distribution Company of Andhra Pradesh Ltd., Warangal, Andhra Pradesh
11. Bangalore Electricity Supply Company Limited, Bangalore, Karnataka
12. Gulbarga Electricity Supply Company Limited, Gulbarga, Karnataka
13. Hubli Electricity Supply Company Limited, Hubli, Karnataka
14. MESCOM Corporate office, Mangalore, Karnataka
15. Chamundeswari Electricity Supply Company Limited, Mysore, Karnataka

....Respondents

ORDER

In the instant petition the petitioner, Power Grid Corporation of India Limited (PGCIL) has sought approval for transmission tariff from date of commercial operation to 31.3.2014 for LILO of existing Bangalore-Salem 400 kV S/C at Hosur (anticipated date of commercial operation 1.11.2013) under System Strengthening-XVIII in Southern Regional Grid, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, as amended from time to time (hereinafter referred to as "the 2009 Tariff Regulations"). Further, the petitioner has requested to approve provisional tariff as per 2009 Tariff Regulations.

2. Regulation 5 of the 2009 Tariff Regulations provides as under:-

"Application for determination of tariff. (1) The generating company or the transmission licensee, as the case may be, may make an application for determination of tariff in accordance with Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004, as amended from time to time or any statutory re-enactment thereof, in respect of the units of the generating station or the transmission lines or sub-stations of the transmission system, completed or projected to be completed within six months from the date of application.



(2) The generating company or the transmission licensee, as the case may be, shall make an application as per **Appendix I** to these regulations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred up to the date of commercial operation and additional capital expenditure incurred duly certified by the auditors or projected to be incurred during the tariff period of the generating station or the transmission system:

Provided that in case of an existing project, the application shall be based on admitted capital cost including any additional capitalization already admitted up to 31.3.2009 and estimated additional capital expenditure for the respective years of the tariff period 2009-14:

Provided further that application shall contain details of underlying assumptions for projected capital cost and additional capital expenditure, where applicable.

(3) In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to provisionally bill the beneficiaries or the long-term customers with the tariff approved by the Commission and applicable as on 31.3.2009 for the period starting from 1.4.2009 till approval of tariff by the Commission in accordance these regulations:

Provided that where the tariff provisionally billed exceeds or falls short of the final tariff approved by the Commission under these regulations, the generating company or the transmission licensee, as the case may be, shall refund to or recover from the beneficiaries or the transmission customers, as the case may be, within six months with simple interest at the following rates for the period from the date of provisional billing to the date of issue of the final tariff order of the Commission:

- (i) SBI short-term Prime Lending rate as on 1.4.2009 for the year 2009-10.
- (ii) SBI Base Rate as on 1.7.2010 plus 350 basis points for the year 2010-11.
- (iii) Monthly average SBI Base Rate from 1.7.2010 to 31.3.2011 plus 350 basis points for the year 2011-12.
- (iv) Monthly average SBI Base Rate during previous year plus 350 basis points for the year 2012-13 and 2013-14.

Provided that in cases where tariff has already been determined on the date of issue of this notification, the above provisions, to the extent of change in interest rate, shall be given effect to by the parties themselves and discrepancy, if any, shall be corrected at the time of truing up.

(4) Where application for determination of tariff of an existing or a new project has been filed before the Commission in accordance with clauses (1) and (2) of this regulation, the Commission may consider in its discretion to grant provisional tariff upto 95% of the annual fixed cost of the project claimed in the application subject to adjustment as per proviso to clause (3) of this regulation after the final tariff order has been issued:

Provided that recovery of capacity charge and energy charge or transmission charge, as the case may be, in respect of the existing or new project for which provisional tariff has been granted shall be made in accordance with the relevant provisions of these regulations.”

3. As per Regulation 5(4) of the 2009 Tariff Regulations, the Commission may in its discretion grant provisional tariff if an application has been filed under Regulation 5(1) and (2) of the 2009 Tariff Regulations. Regulation 5(1) of the 2009 Tariff Regulations provides that the application for tariff should be made in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004 (hereinafter referred to as "2004 Regulations"). Regulation 5(2) of 2009 Tariff Regulations provides that the application shall be made as per Appendix to the 2009 Tariff Regulations.

4. The petitioner has made the application as per the Appendix to the 2009 Regulations. The petitioner has also complied with the requirements of 2004 Regulations, such as service of the copy of the application on the beneficiaries, publication of notice and web hosting of the application, etc.

5. The annual transmission charges claimed by the petitioner:-

(` in lakh)

| Asset | Anticipated DOCO | 2013-14 |
|--|-----------------------------|----------------|
| LILO of existing Bangalore-Salem 400 kV S/C at Hosur | 1.11.2013 | 238.33 |

6. Annual transmission charges allowed on provisional basis:-

| Asset | Anticipated DOCO | (` in lakh) |
|--|-----------------------------|--------------------|
| | | 2013-14 |
| LILO of existing Bangalore-Salem 400 kV S/C at Hosur | 1.11.2013 | 149.76 |

The estimated completion cost being higher than approved cost, the provisional tariff has been worked out in the ratio of approved cost to estimated completion cost.

7. The provisional tariff allowed in this order shall be applicable from the date of commercial operation (DOCO) of the transmission system and the billing, collection and disbursement of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time.

8. The provisional transmission charges allowed in this order shall be subject to adjustment as per Regulation 5(3) of the 2009 Tariff Regulations.

sd/-
(M. Deena Dayalan)
Member

sd/-
(V.S. Verma)
Member

