

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

1. **Shri Ashok Basu, Chairperson**
2. **Shri Bhanu Bhushan, Member**
3. **Shri A.H. Jung, Member**

**Petition No. 34/2006**

**In the matter of**

Approval of provisional transmission tariff for 400 kV Bareilly sub-station (UPPCL) (extension) and 400 kV Mandaula sub-station (extension) under transmission system associated with Tala HEP, East-North Inter-connector and Northern Region Transmission system from 1.5.2006 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. Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur
4. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
5. Himachal Pradesh State Electricity Board, Shimla
6. Punjab State Electricity Board, Patiala
7. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
8. Power Development Department, Govt. of J&K, Jammu
9. Uttar Pradesh Power Corporation Ltd, Lucknow
10. Delhi Transco Ltd, New Delhi
11. Chief Engineer, Chandigarh Administration, Chandigarh
12. Uttranchal Power Corporation Ltd, Dehradun
13. North Central Railway, Allahabad

**.....Respondents**

**The following were present:**

1. Shri U.K. Tyagi, PGCIL
2. Shri P.C. Pankaj, PGCIL
3. Shri M.M. Mondal, CM (Fin), PGCIL
4. Shri C. Kannan, PGCIL
5. Shri Rajiv Kumar Gupta, AVVNL
6. Shri A.S. Chauhan, JUVNL
7. Shri Pardeep Mishra, Advocate, DTL

**ORDER  
(DATE OF HEARING: 27.7.2006)**

The application is made for approval of provisional transmission tariff for 400 kV Bareilly sub-station (UPPCL) (extension) and 400 kV Mandaula sub-station

(extension) (the transmission assets) under transmission system associated with Tala HEP, East-North Inter-connector and Northern Region Transmission system ( the transmission system).The petitioner has prayed to permit for billing and recovery of the transmission charges (transmission charges and other charges) from the respondents for the Bareilly (UPPCL)-Mandola 400 kV D/C transmission lines covered under the Petition No. 33/2006 filed by Powerlinks Transmission Limited .

2. The approval for the revised cost estimate of Rs. 248388 lakh, including IDC of Rs. 147.44 lakh for the transmission system was accorded by the Government of India, Ministry of Power under letter dated 29.9.2005, with debt-equity ratio of 70:30. The transmission system is to be implemented by Power Grid, the petitioner and Powerlinks Transmission Ltd., a joint venture company. The details of revised approved cost are given hereunder:

(a) Power Grid portion : Rs. 87210 lakh (including IDC of Rs. 2574 lakh)

(b) Joint Venture Portion : Rs. 161178 lakh (including IDC of Rs. 12170 lakh)

3. The transmission system was to be completed in June, 2006. The petitioner has submitted that at a meeting on 26.4.2006 it was observed that in absence of Tala Power, the implementation of these assets shall benefit by strengthening the grid and redundancy can be achieved. It has been stated that the respondents consented for early commissioning of the system. Accordingly, the transmission assets have been declared under commercial operation w.e.f. 1.5.2006.

4. The estimated completion cost of the transmission assets is stated to be Rs. 2190.71 lakh against the apportioned approved cost of Rs. 2415 lakh. The actual expenditure up to the date of commercial operation, that is, 1.5.2006 was Rs.2085.53 lakh as per the Chartered Accountant's certificate dated 27.4.2006 placed on record by the petitioner and the balance estimated expenditure is stated to be Rs.105.18

lakh. The provisional transmission charges claimed by the petitioner are given hereunder:

(Rs.in lakh)

Period	Transmission Charges
2006-07( Pro rata)	353.14
2007-08	388.00
2008-09	389.16
<b>Total</b>	<b>1130.30</b>

5. The petitioner has claimed provisional transmission charges based on the capital cost of Rs.2085.53 lakh as on the date of commercial operation. The petitioner has published notices in the newspapers on the provisional tariff proposal in accordance with the procedure specified by the Commission.

6. The Commission has considered the capital cost of Rs.2085.53 lakh as on the date of commercial operation and also claimed by the petitioner. We allow annual transmission charges of Rs. 365.98 lakh for the transmission assets, on provisional basis from the date of commercial operation subject to adjustment after determination of final tariff. The provisional transmission charges allowed are 95% of the annual transmission charges claimed by the petitioner. The provisional annual transmission charges for part of the year shall be payable on pro rata basis.

7. The petitioner has sought approval for the reimbursement of expenditure incurred on publication of notices in the newspapers. The petitioner shall claim reimbursement of the said expenditure directly from the respondents in one installment in the ratio applicable for sharing of transmission charges. The petitioner has also sought reimbursement of filing fee paid. A final view on reimbursement of filing fee is yet to be taken by the Commission for which views of the stakeholder have been called for. The view taken on consideration of the comments received shall apply in the present case as regards reimbursement of filing fee.

8. The petitioner has signed BPTAs with constituents of Northern Regions individually sharing of transmission charges of the transmission system in NR and East-North Inter-connector under Tala transmission system and combined BPTAs with Eastern Region constituents for sharing of transmission charges of transmission system in Eastern Region and East-North Inter-connector under the transmission system. These BPTAs cover sharing of transmission charges for the total transmission system i.e. for the project portion being executed by the petitioner as well as the portion being executed by JV Company – Powerlinks Transmission Ltd.

9. In view of Transmission Service Agreement entered into between the petitioner and Powerlinks Transmission Ltd. and also BPTAs entered into between the petitioner and the beneficiaries, the petitioner shall raise bills for tariff and other charges on the beneficiaries in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004.

10. With the above, the present petition stands disposed of. The petitioner shall file the fresh petition for approval of final tariff in accordance with the Commission's regulations on the subject latest by 31.12.2006.

**sd-/  
(A.H. JUNG)  
MEMBER**

**sd-/  
(BHANU BHUSHAN)  
MEMBER**

**sd-/  
(ASHOK BASU)  
CHAIRPERSON**

**New Delhi dated the 18<sup>th</sup> August 2006**