

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**

**IA No.62/2003
in
Petition No.8/2003**

In the matter of

Tariff for 400 KV Meerut-Mandola Circuit I & II and ICT II and ICT III at Meerut sub-station with associated bays in Northern Region.

And in the matter of

Power Grid Corporation of India Ltd.

.... Petitioner

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
2. Himachal Pradesh State Electricity Board, Shimla
3. Punjab State Electricity Board, Patiala
4. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
5. Power Development Department, Govt. of J&K, Srinagar
6. Uttar Pradesh Power Corporation Ltd., Lucknow
7. Delhi Power Supply Co. Ltd., New Delhi
8. Chandigarh Administration, Chandigarh
9. Uttaranchal Power Corporation Ltd., Dehradun

.... Respondents

The following were present:

1. Shri P.C. Pankaj, AGM, PGCIL
2. U.K. Tyagi, DGM, PGCIL
3. Shri C Kanan, CM, PGCIL
4. Shri T.S.P. Rao, PGCIL
5. Shri Sanjay Rai, PGCIL
6. Shri Umesh Chandra, ED(Comml), PGCIL
7. Shri Pawan Singh, PGCIL
8. Shri A.K. Behal, CM PGCIL
9. Shri Arun Gautam, PGCIL
10. Shri R.P. Padhi, PGCIL
11. Shri B.K. Misra, MS, NREB
12. Shri A.K. Malik, SE(O), NREB
13. Shri Naresh Bhandari, EE(O), NREB
14. Shri A.K. Tandon, UPPCL
15. Shri D.P. Chiraniya, CE, RVPN
16. Shri KK Mittal, XEN(ISP), RVPN
17. Shri T.P.S. Bawa, SE, PSEB

ORDER
(DATE OF HEARING 23.12.2003)

The I.A. filed by the petitioner for provisional tariff was listed for hearing after notice.

2. It has been stated that Meerut-Mandola Circuit II and ICT II at Meerut sub-station with associated bays were put into commercial operation with effect from 1.4.2003. The ICT III at Meerut sub-station with associated bays had been put under commercial operation with effect from 1.7.2003. Meerut-Mandola Circuit-I with associated bays has also been put under commercial operation with effect from 1.10.2003. These assets form part of the transmission system associated with Tehri Hydroelectric project (Tehri HEP).

3. The respondents in the present petition had denied their liability to pay any transmission charges, since, according to them, till the commercial operation of Tehri HEP, no power was flowing through them. It was contended by the respondents that the assets were surplus to the existing transmission lines in Northern Region and, therefore, could not be said to be of any use for system strengthening. Their version was contested by the petitioner, who submitted that the transmission assets were actually employed for conveyance of electricity, though not to the full extent in view of non-commissioning of Tehri HEP. Thus, the petitioner and the respondents had conflicting claims on the issue of power flow and the usefulness of the transmission assets. Therefore, we had directed Member Secretary, NREB, an independent agency to place on record the factual position in this regard and also appear before the Commission on the date fixed for hearing. Member Secretary, NREB has filed the details of power flow on these transmission assets for the months of July 2003 to November 2003. Shri B.K. Misra, Member Secretary, NREB, who appeared before us, submitted that power was flowing from Mandola to Meerut and Meerut-Mandola transmission line was useful to the

system as it had enhanced the quantity and reliability of power supply to Modipuram, Muzaffar Nagar and Simbholi in U.P. On consideration of the views of Member Secretary we are convinced of the utility and usefulness of transmission assets for the constituents of Northern Region, even in the absence of commissioning of Tehri HEP.

4. The assets as mentioned in the petition form part of the Tehri Transmission System sanctioned by Ministry of Power at an estimated cost of Rs.702.29 Crore, including I.D.C. of Rs.136.01 Crore. The estimated completion cost of 400 KV Meerut-Mandola Circuit I & II and ICT II and III at Meerut sub-stations, audited expenditure upto 31.3.2003, the expenditure incurred during 1.4.2003 to 30.9.2003 and the anticipated expenditure beyond 30.9.2003 of these assets are stated to be as under:

(Rs. in lakh)					
Sl. No.	Name of the asset	Estimated completion cost	Audited Expenditure upto 31.3.2003	Expenditure during 1.4.2003 to 30.9.2003 (Provisionally audited)	Anticipated Expenditure beyond 30.9.2003
1(a)	ICT-II at Meerut Sub-station alongwith their associated bays.	1031.40	1013.32	Nil	18.08
1(b)	ICT-III at Meerut Sub-station alongwith their associated bays.	1049.49	1013.32	18.09	18.08
2(a)	400 KV Meerut-Mandola Circuit-II with associated bays in NR.	2565.67	2534.41	4.32	26.94
2(b)	400 KV Meerut-Mandola Circuit-I with associated bays in NR.	2664.60	2534.41	103.25	26.94

5. The petitioner has claimed tariff based on the estimated completion cost of the respective asset. We allow a provisional annual tariff of Rs.201.65 lakh for ICT-II at

Meerut sub-station, Rs.204.45 lakh for ICT-III at Meerut sub-station, Rs.395.51 lakh for 400 KV Meerut-Mandola Circuit – II and Rs.525.02 lakh for 400 KV Meerut-Mandola Circuit-I on provisional basis, from the date of commercial operation of the respective asset, subject to adjustment after determination of final tariff. Since a substantial part of the expenditure is yet to be incurred by the petitioner, while allowing provisional tariff as above, we have considered the audited expenditure (including the provisionally audited expenditure) up to 30.9.2003 and tariff allowed corresponds to 85% of such expenditure.

6. The petitioner has filed the amended petition for approval of firm tariff based on the audited accounts up to 31.3.2003. As some of the assets in respect of which tariff is claimed were declared under commercial operation after 31.3.2003, the final tariff cannot be fixed for all of the assets at this stage. Therefore, we direct the petitioner to file the revised petition by 31.3.2004 on affidavit alongwith other necessary details in the prescribed proformae based on audited accounts up to the date of commercial operation of the respective asset with advance copy to the respondents who may file their replies within four weeks thereafter, with a copy to the petitioner.

7. The petition be processed for final disposal on petitioner filing the revised petition in accordance with the direction contained in the preceding para.

8. IA 62/2003 stands disposed of.

**Sd/-
(K.N. SINHA)
MEMBER**

**Sd/-
(ASHOK BASU)
CHAIRMAN**

New Delhi dated the 14th January, 2004