

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri Bhanu Bhushan, Member**

**Petition No. 100/2006**

**In the matter of**

Determination of provisional transmission tariff for Neelamangala-Mysore 400 kV D/C transmission line along with 2x 315 MVA, 400/220 kV Mysore sub-station and bay extension at Neelamangala (KPTCL) 400/220 sub-station from 1.5.2006 to 31.3.2009 in Southern Region.

**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 Electricity Board, Chennai
  5. Electricity Department, Govt. of Pondicherry, Pondicherry
- .....Respondents**

**The following were present:**

1. Shri U.K. Tyagi, PGCIL
2. Shri M.M.Mondal, PGCIL
3. Shri Prashant Sharma, PGCIL
4. Shri C.Kannan, PGCIL
5. Shri R. Prasad, PGCIL
6. Shri V.K.Jain, TNEB
7. Shri P.S.Shankar, TNEB

**ORDER  
(DATE OF HEARING: 21.12.2006)**

The application has been made for approval of provisional transmission tariff for Neelamangala-Mysore 400 kV D/C transmission line along with 2x 315 MVA, 400/220 kV Mysore sub-station and bay extension at Neelamangala (KPTCL) 400/220 sub-station (the transmissions system) from 1.5.2006 to 31.3.2009 in Southern Region.

2. The investment approval for the transmission system was accorded by Board of Directors of the petitioner company vide Memorandum dated 22.8.2003 at an estimated cost of Rs.15493 lakh, which included IDC of Rs. 1488 lakh. The transmission system was to be completed by August 2006, but has been declared under commercial operation w.e.f. 1.5.2006, that is 4 months ahead of the schedule. The petitioner has explained that during 139<sup>th</sup> meeting of SREB, preponment of commissioning of asset was discussed and agreed to by all the constituents

3. The details of capital expenditure submitted by the petitioner are as follows:

(Rs. in lakh)	
Expenditure up to 31.3.2006 (Audited)	13928.35
Expenditure from 1.4.2006 to 30.4.2006	98.80
Balance estimated expenditure	1210.00
Total	<b>15237.15</b>

4. The petitioner has claimed the following transmission charges based on the capital cost of Rs.14027.15 lakh as on the date of commercial operation:

(Rs.in lakh)	
Period	Annual Transmission Charges
2006-07(Pro rata)	1968.28
2007-08	2137.80
2008-09	2130.47

5. The petitioner has published notices in the newspapers on the tariff proposal made in the petition in accordance with the procedure specified by the Commission. However, no suggestions or comments have been received from the general public.

6. The expenditure up to 31.3.2006 has been verified from audited statement of accounts. For the period from 1.4.2006 to 30.4.2006 the expenditure indicated is based on books of accounts of the project, which are yet to be audited.

7. The petition has been heard after notice to the respondents. Karnataka Power Transmission Corporation Limited and Tamil Nadu Electricity Board in their reply have raised certain issues. Since the present petition is being considered 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 in due course and these issues will be examined then. The petitioner shall, however, take these points into account while making the application for approval of final tariff.

8. Taking into consideration the capital expenditure of Rs. 14027.15 lakh as on the date of commercial operation, as claimed by the petitioner, as the base, we allow annual transmission charges of Rs.2039.85 lakh for the transmission system, 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 transmission charges corresponding to the capital cost of Rs. 14027.15 lakh.

9. The petitioner has sought approval for the reimbursement of expenditure of Rs. 1,11,384/- 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 stakeholders 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.

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 31.10.2007.

11. The petitioner is also directed to file a certificate, duly signed by the Auditors, certifying the loan details (including Bond XVII, XVIII and XIX) duly reconciled with audited accounts of 2006-07 at the time of filing of petition for approval of final tariff:

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

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

**New Delhi dated the 21<sup>th</sup> December 2006**