

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 104/2006

In the matter of

Determination of provisional transmission tariff for Bhadrawati-Chandrapur 400 kV D/C transmission line including bays at Bhadrawati (Power Grid) switching station (Extension) and Chandrapur (MSEB) switchyard (Extension) in Western Region from 1.5.2006 to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited

..Petitioner

Vs

1. Madhya Pradesh Power Transmission Company Ltd.
2. Maharashtra State Electricity Distribution Company Ltd., Mumbai
3. Gujarat Urja Vikas Nigam Ltd., Baroda
4. Electricity Deptt., Government of Goa, Panaji
5. Electricity Deptt., Administration of Daman & Diu, Daman
6. Electricity Deptt., Administration of Dadra Nagar Haveli, Silvassa
7. Chhattisgarh State Electricity Board, Raipur
8. Madhya Pradesh Audyogik Kandra Vikas Nigam (Indore) Ltd, Indore **.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

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

The application has been made for approval of provisional transmission tariff for Bhadrawati-Chandrapur 400 kV D/C transmission line including bays at Bhadrawati (Power Grid) switching station (Extension) and Chandrapur (MSEB) switchyard (Extension) (the transmissions line) in Western Region from 1.5.2006 to 31.3.2009.

2. The investment approval for the transmission line was accorded by Board of Directors of the petitioner company vide letter dated 13.7.2004 at an estimated cost of Rs.3338 lakh, which included IDC of Rs. 150 lakh. The transmission line was to be completed by March 2007, but has been declared under commercial operation w.e.f. 1.5.2006, that is, 11 month ahead of the schedule. The petitioner has explained that during a meeting of WREB, preponment of commissioning of the transmission line 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)	2031.97
Expenditure from 1.4.2006 to 30.4.2006	927.53
Balance estimated expenditure	1020.19
Total	3979.69

4. The petitioner has claimed the following transmission charges based on the capital cost of Rs.2959.50 lakh as on the date of commercial operation:

(Rs.in lakh)	
Period	Annual Transmission Charges
2006-07(Pro rata)	475.22
2007-08	517.08
2008-09	515.81

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. Madhya Pradesh Power Trading Co Ltd., though not a party to the proceedings, and Maharashtra State Electricity Distribution Company Limited in their reply have raised certain issues. 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 in due course and the 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. 2959.50 lakh as on the date of commercial operation, as claimed by the petitioner, as the base, we allow annual transmission charges of Rs.492.50 lakh for the transmission line, 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. 2959.50 lakh.

9. The petitioner has sought approval for the reimbursement of expenditure of Rs. 1, 48, 365-/ 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 a 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 the following information/clarification at the time of filing of petition for approval of final tariff, namely;-

- (a) A certificate, duly signed by the Auditors, certifying the loan details (including Bond XVII and XVIII which has been taken into account) duly reconciled with audited accounts of 2006-07;
- (b) Detailed reasons for very high cost of the transmission line per km, that is Rs. 106 lakh/km;
- (c) Break up of mandatory spares;
- (d) Break up of construction/supply/service packages of the project;
- (e) Details of correct names of bays; and
- (f) Whether bays at Chandrapur would be maintained by MSEB or the Petitioner itself.

Sd/-
(BHANU BHUSHAN)
MEMBER
New Delhi dated the 21th December 2006

sd/-
(ASHOK BASU)
CHAIRPERSON