

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Shri Ashok Basu, Chairman**
- 2. Shri G.S. Rajamani, Member**
- 3. Shri K.N. Sinha, Member**

**IA No.68/2002 in  
Petition No.122/2002**

**In the matter of**

Approval of tariff for Talcher-Kolar HVDC line with HVDC Pole-I at Talcher & Kolar. Kolar-Madras line, LILO of Cuddapah-Bangalore S/C line, Kolar-Hoody D/C line, 4x167 MVA auto transformer, 400 KV Hossur-Salem S/C line and 2x315 auto transformer with associated bays for line and ICT etc., under Transmission system associated with Talcher-II project (from 1.11.2002 to 31.3.2004)

**And in the matter of**

Power Grid Corporation of India Ltd.

.Petitioner

Vs

Karnataka Power Transmission Corporation Ltd., Bangalore & others ....Respondents

**The following were present:**

1. Shri R.K. Vohra, ED, PGCIL
2. Shri S.S. Sharma, AGM, PGCIL
3. Shri U.K. Tyagi, Chief Manager, PGCIL
4. Shri C. Kannan, Chief Manager, PGCIL
5. Shri A.K. Nagpal, Dy GM, PGCIL
6. Shri Shri V.K. Shrivastava, PGCIL
7. Shri S Mehrotra, PGCIL
8. Shri TSP Rao, PGCIL
9. Shri Devinder Kumar, PGCIL
10. Shri Rajesh Suri, PGCIL
11. Shri V.K. Garg, Director, PGCIL

**ORDER  
(DATE OF HEARING 8.1.2003)**

The Interlocutory Application filed by the petitioner for provisional tariff is listed for hearing after notice. None of the respondents was present.

2. It has been stated that the following components of Talcher-Kolar HVDC line with HVDC Pole-I at Talcher & Kolar have been put into commercial operation w.e.f. 1.12.2002 :-

- (a) 400 KV AC Kolar-Arakkonam - Madras line, 400 KV AC LILO of Cuddapah-Bangalore S/C Line with associated bays.
- (b) 400 KV Hossur-Salem S/C line and 1x315 MVA auto transformer with associated bays.
- (c) Talcher-Kolar HVDC line with HVDC Pole-I at Talcher & Kolar.

3. It is further submitted by Shri R.K. Vohra, ED, PGCIL that the remaining assets, namely, 400 KV AC Kolar-Hoody D/C line, 4x167 MVA Auto Transformers along with associated bays and 1x315 Auto Transformer with associated bays at Hosur are likely to be declared under commercial operation w.e.f. 1.2.2003.

4. The prayer has been made for approval of provisional tariff is in respect of the above noted assets.

5. The project was approved by the Central Government at a total estimated cost of Rs.3865.61 crores, including IDC of Rs.391.07 crores, which included the cost of Pole-II also. However, the apportioned approved cost of the assets forming subject matter of the present petition is stated to be Rs.3033.04 crores. Against this, the estimated completion cost of these assets is Rs.2154.20 crores. It has been stated by the petitioner that an expenditure of Rs.1905.45 crores was incurred up to 31.8.2002 and the balance of Rs.248.76 crores is the anticipated expenditure beyond 1.9.2002.

6. We find that the estimated completion cost of Rs.2154.20 crores of the assets is far less than the apportioned approved cost of Rs.3033.04 crores. The representative of the petitioner has explained that the difference between the apportioned approved cost and the estimated completion cost is on account of savings, which are on two counts.

Firstly, the project has been commissioned ahead of schedule and thus there are savings on account of IDC. Secondly, the savings are also on account of equipment cost. The petitioner is directed to place the details of savings and reasons therefor on record, duly supported by an affidavit with advance copy to the respondents.

7. The transmission system approved by the Central Government was to be implemented matching with the commissioning of generating units of Talcher-II generation project, the first unit of which is planned to be commissioned by June, 2003. The assets in respect of which tariff is claimed in the present petition are commissioned before the commissioning of first unit of Talcher-II generation project. It has been explained by the representative of the petitioner that despite non-commissioning of first unit of Talcher-II generation project, the surplus power of Eastern Region is being evacuated to Southern Region constituents through these assets and thus the assets are commercially in use by the respondents.

8. On consideration of the above recorded facts, we allow the annual tariff for different assets covered by the petition, on provisional basis from the respective date of commercial operation as indicated by the petitioner, subject to adjustment after determination of final tariff:

Sl. No.	Details of Assets	Date of Commercial Operation	Annual Transmission Tariff (Provisional) (Rs. in lakhs)
1.	400 KV AC Kolar-Hoody D/C line & 4 x 167 MVA Auto Transformer along with associated bays	01.02.2003	1040.60
2.	400 KV AC Kolar-Arakkonam-Madras line, 400 KV AC LILO of Cuddapah-Bangalore S/C line with associated bays	01.12.2002	1396.56
3.	400 KV AC Hossur-Salem S/C line & 2x315 MVA Auto Transformer with associated bays	01.12.2002	949.84
4.	Talcher-Kolar-HVDC line with HVDC Pole-I at Talcher & Kolar	01.12.2002	19066.11

9. In case there is any change in date of commercial operation, the annual provisional tariff approved by us shall be adjusted accordingly. We may note that 400 KV AC Hossur-Salem S/C line and 2x315 MVA Auto Transformer with associated bays are partly commissioned as 1 no. 315 MVA S/C Transformer with associated bays is yet to be commissioned. Since the split-up cost for the transformer/bays is not available separately, tariff claimed could not be adjusted. However, as the tariff is being allowed by us on provisional basis, this will be subject to adjustment.

10. As the respondents are not present at the hearing, may be because of short notice at which IA No.68/2002 has been listed, we grant liberty to the respondents to approach the Commission for modification of provisional tariff by giving proper justification.

11. IA No.68/2002 is disposed of.

12. List the main petition for hearing on 25.2.2003 as already directed.

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

**Sd/-**  
**(G.S. RAJAMANI)**  
**MEMBER**

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

New Delhi dated the 21<sup>st</sup> January 2003