

**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.75/2002
in
Petition No.132/2002**

In the matter of

Approval of tariff for Talcher HVDC Terminal stations at Talcher and Kolar related with Pole II, 400 kV D/C Kolar-Hosur line along with associated bays at Kolar and Hossur and 400 kV S/C Salem-Udumalpet line along with associated bay Extensions at Salem and Udumalpet, etc under Transmission system associated with Talcher-II project (East-South interconnector-II) for the period up to 31.3.2004.

And in the matter of

Power Grid Corporation of India Ltd. .Petitioner
Vs
Karnataka Power Transmission Corporation Ltd., Bangalore & othersRespondents

The following were present:

1. Shri R.K. Vohra, ED, PGCIL
2. Shri S.S. Sharma, AGM, PGCIL
3. Shri Pawan Singh, AGM, PGCIL
4. Shri C. Kannan, Chief Manager, PGCIL
5. Shri S Mehrotra, PGCIL
6. Shri M. Rastogi, PGCIL
7. Shri K.J. Alva, Controller of Accounts, KPTCL
8. Shri H.S. Keshavamurthy, E.E.E., KPTCL
9. Shri Sowmyanarayanan, Consultant, TNEB

**ORDER
(DATE OF HEARING 31.1.2003)**

The Interlocutory Application filed by the petitioner for provisional tariff is listed for hearing after notice.

2. It has been stated that the following components of the Transmission system associated with Talcher Stage II generation project were to be put into commercial operation w.e.f. 1.1.2003 :-

- (a) Talcher HVDC Terminal stations at Talcher and Kolar related with Pole II
- (b) 400 kV D/C Kolar-Hosur along with associated bays at Kolar and Hosur
400 KV S/C Salem-Udumalpet line along with associated bay extensions at Salem and Udumalpet, etc.

3. At the hearing on 31.1.2003, it was submitted by Shri S.S. Sharma, AGM, PGCIL that the assets were likely to be declared under commercial operation w.e.f. 1.3.2003.

4. The prayer has been made for approval of provisional tariff 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.832.58 crores. Against this, the estimated completion cost of these assets is Rs.844.11 crores. The petitioner along with its affidavit dated 3.2.2003 has filed the revised certificate dated 30.1.2003 from the statutory auditors, according to which the following expenditure had been incurred up to 31.12.2002 :-

		(Rs. in lakhs)
(a)	Talcher HVDC Terminal stations at Talcher and Kolar related with Pole II	62756.30
(b)	400 kV D/C Kolar-Hossur along with associated bays at Kolar and Hossur 400 KV S/C Salem-Udmalpet line along with associated bay extensions at Salem and Udumalpet, etc.	9896.04

6. 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 likely to be declared under commercial operation before the date of commercial operation of first unit of Talcher-II generation project. Shri S. Sowmyanarayanan, who appeared on behalf of TNEB, submitted that the respondents were not liable to pay transmission charges in view of commissioning of these assets ahead of the date of commissioning of the generation project. We take notice of the fact that Unit I of Talcher Stage II generation project has been synchronised and NTPC has filed petition for approval of tariff for infirm power. These assets are to be used for transmission of infirm power initially and firm power after the commercial operation of generation project. Further the surplus power available in the Eastern Region is being transmitted to Southern Region through the HVDC system, as reported by the petitioner during the hearing. In view of this, we do not consider enough merit in the point raised on behalf of TNEB.

7. Against the above background, we allow the annual tariff for different assets covered by the petition, on provisional basis from the date of commercial operation as indicated below, 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.	HVDC terminal stations at Talcher & Kolar related with Pole II	01.3.2003	6498.61
2.	400 KV D/C Kolar-Hossur line with associated bays at Kolar and Hossur and 400 kV S/C Salem-Udumalpet line with associated bay extensions at Salem and Udumalpet, etc,	01.3.2003	1371.71

8. The annual provisional tariff approved by us shall be adjusted in accordance with the date of commercial operation. The transmission charges shall be shared by the constituents of Southern Region in accordance with the Commission's notification dated 26.3.2001.

9. IA No.75/2002 in Petition No.132/2003 is disposed of.

10. At the hearing it was stated on behalf of the petitioner that the complete audited accounts in respect of the assets were likely to be available during July 2003. We direct the petitioner to file the up-to-date audited figures by 10.8.2003 on affidavit and thereafter the petition will be processed for fixing date for final hearing. Meanwhile, the respondents may file their replies to the main petition.

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(G.S. RAJAMANI)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 17th February, 2003