

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**
3. **Shri Bhanu Bhushan, Member**
4. **Shri A.H. Jung, Member**

**Petition No. 52/2005**

**In the matter of**

Determination of Provisional Transmission tariff for 40% Fixed Series Compensation on existing Gooty-Neelmangala 400 kV S/C transmission line and two circuits of Nagarjunasagar-Cuddaph 400 kV S/C lines under FSC project in Southern Region for the period from 1.11.2004 to 31.3.2009.

**And in the matter of**

Power Grid Corporation of India Limited  
Vs

**..Petitioner**

1. Karnataka Power Transmission Corporation Ltd, , Bangalore
2. Transmission Corporatin of Andhra Pradesh Ltd., Hyderabad
3. Kerala State Electricity Board, Thiruvananthapuram
4. Tamil Nadu Electricity Board, Chennai
5. Electricity Department, Govt. of Goa, Panaji

**.....Respondents**

**The following were present:**

1. Shri U.K. Tyagi, PGCIL
2. Shri P.C. Pankaj, PGCIL
3. Shri M.M. Mondal, CM (Fin), PGCIL
4. Shri Rakesh Prasad, PGCIL
5. Shri Ramesh Babu, KSEB
6. Shri R. Balachandran, KSEB
7. Shri N. Vijaya Bhaskar, KPTCL

**ORDER  
(DATE OF HEARING: 22.9.2005)**

The application is made for approval of provisional transmission charges for 40% Fixed Series Compensation on existing Gooty-Neelmangala 400 kV S/C transmission line and Nagarjunasagar-Cuddaph 400 kV S/C lines-1 & 2 under FSC project (the transmission assets) in Southern Region.

2. The Investment approval for provision for 40% Series Compensation (FSC) on both of the existing Nagarjunasagar–Cuddapah 400 kV S/C transmission lines at Cuddapah and also at Gooty end on 2 x S/C 400 kV Gooty -Neelmangala 400 kV transmission line was accorded by the Board of Directors of the petitioner under Memo dated 22.10.2002 at an estimated cost of Rs.57.93 crore (2<sup>nd</sup> quarter, 2002 price level), which includes IDC of Rs. 4.43 crore, to be completed by October, 2004 ( for the first three FSC) and April, 2005, (for the last FSC). The transmission assets covered in the present petition have been declared under commercial operation w.e.f. 1.11.2004. According to the petitioner, the last Fixed Series Compensation on new S/C 400 kV Gooty-Neelmangala transmission line has been put under commercial operation on 1.5.2005 for which separate petition is to be filed.

3. The estimated completion cost of the transmission assets is stated to be Rs.4401.41 lakh against the apportioned approved cost of Rs.4336.00 lakh. The actual expenditure up to the date of commercial operation, that is, 1.11.2004 was Rs. 4097.57 lakh as per the Chartered Accountant's certificate dated 1.1.2005 placed on record by the petitioner and the balance estimated expenditure is stated to be Rs. 303.84 lakh. The annual provisional transmission charges claimed by the petitioner are given hereunder:

	(Rs. In lakh)
period	Annual Transmission Charges
2004-05(Pro-rata)	269.33
2005-06	646.32
2006-07	646.60
2007-08	629.78
2008-09	699.75

4. The petitioner has claimed provisional transmission charges based on the capital cost of Rs. 4097.57 lakh as on the date of commercial operation. The petitioner has published notices in the newspapers on the provisional tariff proposal in accordance with the procedure specified by the Commission.

5. The Commission has considered the expenditure of Rs.4097.57 lakh as the base for determining the provisional tariff. However, we allow annual transmission charges of Rs.614.07 lakh for the transmission assets, on provisional basis from the date of commercial operation subject to adjustment after determination of final tariff. The provisional transmission charges are 95% of the transmission charges claimed by the petitioner.

6. The petitioner has sought approval for the reimbursement of expenditure of Rs. 1, 08,095/- 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 of Rs.5 lakh paid. A final view on reimbursement of filing fee is yet to be taken by the Commission for which views of the stakeholder 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.

7. 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 31.3.2006.

**sd-/  
(A.H. JUNG)  
MEMBER**

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

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

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

**New Delhi dated the 21<sup>st</sup> December 2005**