

**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**

**IA No.3/2005
in
Petition No.11/2005**

In the matter of

Approval of provisional transmission tariff for Fixed and Thyristor Controlled Series Compensation for 400 kV D/C Raipur-Rourkela Transmission Line at Raipur in Western Region for the period from 1.11.2004 to 31.3.2009.

And in the matter of

Power Grid Corporation of India Ltd.

....Petitioner

Vs

1. Madhya Pradesh State Electricity Board, Jabalpur
 2. Maharashtra State Electricity Board, Mumbai
 3. Gujarat Electricity Board, Vadodara
 4. Electricity Department, Govt of Goa, Panaji, Goa
 5. Electricity Department, Admn. Of Daman & Diu, Daman
 6. Electricity Department, Admn. of Dadra and Nagar Haveli, Silvassa
 7. Chhattisgarh State Electricity Board, Raipur
-Respondents**

The following were present

1. Shri Prashant Sharma, PGCIL
2. Shri R.T. Agarwal, AGM (Fin), PGCIL
3. Shri M.M. Mandal, PGCIL
4. Shri A.V.S. Ramesh, PGCIL
5. Shri Subir Sen, PGCIL
6. Shri C. Kannan, PGCIL
7. Shri U.K. Tyagi, PGCIL
8. Shri Arvind Manglik, PGCIL
9. Shri D. Khandelwal, MPSEB

ORDER
(DATE OF HEARING : 29.3.2005)

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

2. It has been stated that Series Compensation (FSC & TCSC) on 400 KV D/C Raipur- Rourkela Transmission line at Raipur in Western Region has been put into commercial operation with effect from 1.11.2004. The petitioner has further stated that the transmission charges are to be billed and realised from the respondents in Western Region.

3. The prayer has been made in IA for approval of provisional tariff in respect of above noted assets.

4. The administrative approval for Series Compensation (FSC & TCSC) has been accorded by the Board of Directors of the petitioner company under letter dated 14.5.2002 at a total cost of Rs. 96.90 crore, including IDC of Rs. 6.99 crore. The assets were scheduled to be completed by January 2005, but were completed in November 2004, ahead of schedule. The constituents of Western Region, in 125th WRE Board meeting held on 7.10.2004 agreed for advancement of the date of commissioning of the assets. Accordingly, the assets have been declared under Commercial operation w.e.f 1.11.2004

5. It has been stated in the petition that an expenditure of Rs.11639.74 lakh was incurred upto 31.10.2004 and the balance estimated expenditure is Rs.860.05 lakh,

rendering the total completion cost as Rs.12499.79 lakh. The Revised Cost Estimates for Rs.127.93 crore including IDC are reportedly being considered for approval by the Board of Directors of the petitioner company. The increase in the completion cost vis-à-vis the estimated completion cost has largely been attributed to the price variation and exchange rate variation on import supplies. As per the Chartered Accountant's certificate dated 6.11.2004 furnished by the petitioner with the petition, an expenditure of Rs. 11639.74 lakh was incurred up to 31.10.2004. The Commission has considered the same as base for determining the provisional tariff.

6. The petitioner has claimed provisional annual transmission charges of Rs.1744.37 lakh based on the capital cost of Rs.11639.74 lakh as on the date of commercial operation.

7. Shri Khandelwal for Respondent No.1, submitted at the hearing that since Raipur – Rourkela is an inter-regional transmission line between Eastern and Western Regions, the transmission charges for current assets should be shared by the beneficiaries in both the regions. The petitioner in its affidavit filed on 21.4.2005, has clarified the reasons for excluding the beneficiaries in Eastern Region from the liability of sharing the transmission charges. According to the petitioner, the constituents in Western Region are the only beneficiaries of the project as the energy is being imported from Eastern Region to Western Region. The scheme was reportedly discussed and consensus achieved in various forums, including 18th Standing Committee meeting of Western Region, TCC & 123rd Board meeting of Western Region held on 28.2.2004 as also in 125th WRE Board meeting held on 7.10. 2004.

8. The assets enhance the transmission capability of the existing Raipur – Rourkela Transmission Line. In view of the agreement reached at WREB forum, the beneficiaries of Western Region would bear the transmission charges. Certain other issues were also raised by the representative of Respondent No.1 at the hearing. These issues are, however, left open to be considered at time of determination of final tariff.

9. On consideration of the above recorded facts, we allow an annual tariff of Rs.1452.18 lakh for the asset covered by the petition, on provisional basis from the date of commercial operation subject to adjustment after determination of final tariff. This provisional tariff is based on the approved capital expenditure of Rs.9690.00 lakh. The petitioner is, however, at liberty to approach the Commission for revision of provisional tariff after approval of the Revised Cost Estimates by the competent authority.

10. The petitioner shall file a revised petition for determination of final tariff based on actual capital expenditure incurred upto the date of commercial operation i.e 1.11.2004, duly audited and certified by statutory auditor(s) latest by 31.10.2005.

11. IA No.3/2005 in petition no.11/2005 stands disposed of.

Sd/-
(A.H.JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi Dated the 26th May 2005