

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. Dr. Pramod Deo, Chairperson
1. Shri Bhanu Bhushan, Member
2. Shri R.Krishnamoorthy, Member
3. Shri S.Jayaraman, Member

Petition No. 123/2008

In the matter of

approval of provisional transmission tariff of circuit-II of 400 kV D/C Teesta (Stage-V)-Siliguri transmission line and 315 MVA, 400/220 kV, ICT-II at Baripada sub-station along with associated bays of transmission system associated with Teesta (Stage-V) HEP in Eastern Region for the period from date of commercial operation to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon
Vs

..Petitioner

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Calcutta
3. Grid Corporation of Orissa Ltd., Bhubaneswar
4. Damodar Valley Corporation, Calcutta
5. Power Department, Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board, Ranchi

.....Respondents

The following were present:

1. Shri U.K.Tyagi, PGCIL
2. Shri V.V.Sharma, PGCIL
3. Shri Prashant Sharma, PGCIL
4. Shri M.M.Mondal, PGCIL

**ORDER
(DATE OF HEARING: 11.12.2008)**

The application has been made for approval of provisional transmission charges for circuit-II of 400 kV D/C Teesta (Stage-V)-Siliguri transmission line (Asset-I) and 315 MVA, 400/220 kV, ICT-II at Baripada sub-station along with associated bays (Asset-II) of transmission system associated with Teesta (Stage-V) HEP (the transmission system) in Eastern Region from the date of commercial operation of the respective asset to 31.3.2009, based on the Central Electricity

Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (the 2004 regulations).

2. The investment approval for the transmission system was accorded by Board of Directors of the petitioner company vide its memorandum dated 25.2.2004 at an estimated cost of Rs.20875 lakh, (including IDC of Rs. 1483 lakh). Subsequently, Board of Directors vide memorandum dated 17.10.2008 approved execution of the transmission system at an estimated cost of Rs. 31558 lakh which includes IDC of Rs. 1800 lakh.

3. The date of commissioning of the respective transmission asset, its apportioned approved cost and the actual cost as on the date of commercial operation, as given by the petitioner are extracted hereunder:

S.No.	Name of Asset	Date of commercial operation	Apportioned approved cost (Rs. in lakh)	Capital cost as on date of commercial operation (Rs. in lakh)
1.	Asset-I	1.6.2008	3789.00	3382.40
2.	Asst-II	1.5.2008	1128.00	813.19
	Total		4917.00	4195.59

4. The expenditure up to 31.3.2008 has been verified from the audited statement of accounts for the year 2007-08. For the period from 1.4.2008 to the date of commercial operation, the expenditure indicated is based on books of accounts yet to be audited.

5. The petition has been heard after notice to the respondents. No reply has been filed by any of the respondents.

6. The petitioner has claimed the following provisional transmission charges based on the capital cost as on the date of commercial operation of the respective transmission asset:

Period	(Rs. in lakh)	
	Asset-I	Asset-II
2008-09 (Pro rata)	441.14	169.70

7. In respect of both the transmission assets, the capital expenditure on the date of commercial operation is less than the apportioned approved cost. Therefore, for the purpose of provisional tariff, we have considered the capital expenditure as on date of commercial operation as per para 3 above.

8. Based on the above, the provisional transmission charges are determined as follows:

(Rs. in lakh)		
	Asset-I	Asset-II
	2008-09 (Pro rata)	2008-09 (Pro rata)
Depreciation	76.84 @ 2.73	26.83 @3.60
Interest on loan	180.05	46.24
Return on equity	118.38	31.31
Advance Against Depreciation	0.00	0.00
Interest on working capital	13.00	4.99
O & M expenses	52.64	60.32
Total	441.11	169.69

9. We allow transmission charges tabulated above for the transmission asset, on provisional basis from the date of commercial operation subject to adjustment after determination of final tariff.

10. The petitioner shall file a fresh petition for approval of final tariff in accordance with the Commission's regulations on the subject, latest by 30.4.2009.

11. While making the application for approval of final tariff, the petitioner shall file a certificate, duly signed by the Auditors, certifying the loan details, duly reconciled with audited accounts of 2007-08.

12. Accordingly, the petition stands disposed of.

Sd/-	sd/-	sd/-	sd/-
(S.JAYARAMAN)	(R.KRISHNAMOORTHY)	(BHANU BHUSHAN)	(DR.PRAMOD DEO)
MEMBER	MEMBER	MEMBER	CHAIRPERSON
New Delhi dated the 11th December 2008			