

**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. 118/2008

In the matter of

Determination of provisional transmission tariff for 400 kV Khandwa-Rajgarh Ckt-II along with associated bays, ICT II at Gwalior sub-station and 765/400 kV ICT-III at Seoni sub-station (DOCO 1.4.2008) & 400 kV Khandwa-Rajgarh Ckt-I along with associated bays, 63 MVAR Bus reactor at Bina sub-station (DOCO 1.5.2008) under Sipat-II transmission system of Western Region for the from 1.4.2008 and 1.5.2008 to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon

..Petitioner

Vs

1. Madhya Pradesh Power Transmission Company Ltd., Jabalpur
2. Maharashtra State Electricity Distribution Co. Ltd., Mumbai
3. Gujarat Urja Vikas Nigam Ltd., Vadodara
4. Electricity Deptt., Govt., of Goa, Panaji
5. Electricity Department, Administration of Daman and Diu, Daman
6. Electricity Department, Administration of Dadra Nagar Haveli, Silvassa
7. Chhattisgarh State Electricity Board, Raipur
8. Madhya Pradesh Audyogik Kandra, Indore

.....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 400 kV Khandwa-Rajgarh Ckt-II along with associated bays, ICT II at Gwalior sub-station and 765/400 kV ICT-III at Seoni sub-station (Asset-I) and 400 kV Khandwa-Rajgarh Ckt-I along with associated bays, 63 MVAR Bus reactor at Bina sub-station (Asset-II) under Sipat-II transmission system (the transmission system) in

Western Region from the date of commercial operation of the respective assets 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 Ministry of Power vide its letter dated 23.8.2004 at an estimated cost of Rs.60190 lakh, including IDC of Rs. 4199 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	1.4.2008	17782.18	21502.26
2.	Asst-II	1.5.2008	5287.93	6503.72
	Total		23070.11	28005.98

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. M. P. Power Trading Company Limited, although it has not been impleaded as the respondent in the petition, in its reply has raised certain issues which are relevant for consideration while determining final tariff. Since the present petition is for provisional tariff only, the issues raised are not being gone into at this stage. The respondents are at liberty to bring up these issues, if so advised, when the petition for final tariff is filed and the issues will be examined then.

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:

(Rs. in lakh)		
Period	Asset-I	Asset-II
2008-09 (Pro rata)	3209.90	954.04

7. In respect of both the transmission assets, capital expenditure on the date of commercial operation exceeds the apportioned approved cost. Therefore, for the purpose of provisional tariff we have considered the apportioned approved cost 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	518.72 @ 2.92	133.55 @2.76
Interest on loan	1099.04	298.27
Return on equity	746.84	203.59
Advance Against Depreciation	0.00	0.00
Interest on working capital	79.53	23.82
O & M expenses	256.08	144.26
Total	2700.20	803.49

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 and details reason for time over-run.

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