

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. **Shri Bhanu Bhushan, Member**
2. **Shri R.Krishnamoorthy, Member**

Petition No. 74/2006

In the matter of

Approval of charges for Unified Load Despatch and Communication Scheme in Eastern Region for the period from 1.9.2005 to 31.8.2020.

And in the matter of

Power Grid Corporation of India Limited

..Petitioner

Vs

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

..Respondents

The following were present:

1. Shri V.V.Sharma, PGCIL
2. Shri A. K. Nagpal, PGCIL
3. Shri Mohd. Mohsin, PGCIL
4. Shri N.Roy, PGCIL
5. Shri R.B.Sharma, Advocate, BSEB

ORDER

(Date of Hearing: 26.6.2008)

The petition has been filed for approval of fees and charges for Unified Load Despatch and Communication Scheme (hereinafter referred to as “the scheme”) in Eastern Region for the period from 1.9.2005, the date of commercial operation of the scheme, to 31.8.2020, worked out by the petitioner based on principle of levelisation.

2. As the methodology evolved for working out capital recovery factor for the return on equity and interest on loan for ULDC scheme in Northern Region had a bearing on the methodology to be considered for Eastern Region, the Commission by its order dated 12.3.2007, directed that this petition be kept pending till a final view was taken on the application made by the petitioner in respect of Northern Region.

3. The Commission vide its order dated 11.4.2008 in Review Petition No. 133/2006 (in Petition No. 139/2005) pertaining to charges for ULDC Scheme in Northern Region has revised the methodology for working out the capital recovery factor for the return on equity and interest on loan for the period 1.4.2004 to 31.3.2009, after accounting for additional capital expenditure incurred during 2001-04. Accordingly, the present petition has been taken up for hearing.

4. Heard the representatives of the petitioner and the first respondent present.

5. The representative of the petitioner submitted that in the present petition the petitioner had claimed charges based on audited expenditure of Rs. 30744.79 lakh up to 31.3.2006, which includes expenditure of Rs. 28374.76 lakh as on the date of commercial operation and expenditure of Rs. 2370.03 lakh from the date of commercial operation to 31.3.2006. The representative of the petitioner further stated that the audited expenditure for the period from 1.4.2006 to 31.3.2007 had become available. The representative of the petitioner

proposed to submit revised calculations, after accounting for audited expenditure up to 31.3.2007.

6. At the hearing, the representative of the petitioner submitted that it would also submit a proposal for interest rate resetting in case of loans with floating rates of interest.

7. Learned counsel of the first respondent, Bihar State Electricity Board (BSEB) submitted that a reply had been filed on its behalf on 23.6.2008. He further stated that the generating companies and the inter-State transmission licensees are required to pay RLDC fees and charges under Section 28 of the Electricity Act, 2003 (the Act) and not the State Utilities. He urged that the order issued by Ministry of Power under Section 183 of the Act, providing for recovery of fees and charges from the licensees using the inter-State transmission system, cannot be given effect, being inconsistent with the express provisions of sub-section (4) of Section 28 of the Act. He requested the Commission to formulate an issue on this so that matter can be heard on the next date. Learned counsel further added that some works like, for validation of data, testing of PLCC channel etc. were still to be completed. The representative of the petitioner explained that on the request of the first respondent, BSEB even some works which are outside of the scope of scheme had been completed. In respect of data availability, the representative of the petitioner stated that there could be data loss due to malfunctioning of some of the RTUs, but it was an ongoing process and corrective actions were being taken regularly. The representative of the petitioner further stated that the issue of interaction between

CTU and STU should not be interlinked with determination of charges in the present petition.

8. The issues raised by the first respondent, BSEB will be dealt with in the final order.

9. The petitioner is directed to submit the following information on affidavit by 31.7.2008, with advance copy to the respondents, who may file their reply, if any, by 20.8.2008:

(a) Revised calculations of the annual fees and charges for the scheme;

(b) "Right-of-way" charges, if any, for laying optic fibre cable underground, duly apportioned between the telecom business of the petitioner and the ULDC scheme;

(c) Detailed year-wise O&M expenses attributable to ULDC scheme from the date of commercial operation till 31.3.2008, with details of royalty and other charges, if any, paid to the Department of Telecommunication for optic fibre cable and their apportioning between ULDC and telecom business; and

(d) Proposal for re-setting of interest rate.

10. List for further directions on 18.9.2008.

Sd/-
(R.KRISHNAMOORTHY)
MEMBER
New Delhi Dated the 3rd July 2008

sd/-
(BHANU BHUSHAN)
MEMBER