

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**Petition No. 103/2008**

**In the matter of**

Determination of provisional transmission tariff for (i) LILO of Kolar-Sriperumbudur (Power Grid) 400 S/C line at Kalvindapattu (Malakottaiyur) (Power Grid) along with one No. 315 MVA Auto Transformer and one 50 MVAR reactor at Kalvindapattu (Melakottaiyur) (DOCO-1.6.2008), (ii) 2nd 315 MVA Auto transformer at Kalvindapattu (Melakottiyur) sub-station (DOCO-1.7.2008) along with associated bays and equipments under transmission system associated with Kaiga 3 & 4 (2x235 MW) project from date of commercial operation to 31.3.2009 in Southern Region.

**And in the matter of**

Power Grid Corporation of India Limited, Gurgaon

**..Petitioner**

Vs

1. Karnataka Power Transmission Corporation Limited, Bangalore
  2. Transmission Corporation of Andhra Pradesh Ltd., Hyderabad
  3. Kerala State Electricity Board, Thiruvananthapuram
  4. Tamil Nadu Electricity Board, Chennai
  5. Electricity Department, Govt. of Pondicherry, Pondicherry
- .....Respondents**

**The following were present:**

1. Shri U.K. Tyagi, PGCIL
2. Shri B.C.Pant, PGCIL
3. Ms. Sangeeta Edwards, PGCIL
4. Shri M.M.Mondal, PGCIL
5. Shri Harmeet Singh, PGCIL
6. Shri A.K.Nagpal, PGCIL

**ORDER**

**(DATE OF HEARING: 18.11.2008)**

The application has been made for approval of provisional transmission charges for (i) LILO of Kolar-Sriperumbudur (Power Grid) 400 S/C line at Kalvindapattu (Malakottaiyur) (Power Grid) along with one No. 315 MVA Auto Transformer and one 50 MVAR reactor at Kalvindapattu (Melakottaiyur) (Asset-I), (ii) 2nd 315 MVA Auto transformer at Kalvindapattu (Melakottiyur) sub-station along with associated bays and equipments (Asset-II) (collectively referred to as "the

transmission assets) under the transmission system associated with Kaiga 3 & 4 (2x235 MW) project (the transmission system) from the date of commercial operation 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 29.3.2005 at an estimated cost of Rs.58825 lakh, including IDC of Rs. 3072 lakh. The transmission system was to be completed by December 2007.

3. The date of commercial operation 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 as 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	10449	9827.55
2.	Asset-II	1.7.2008	1016	1026.39

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 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)	1416.58	164.66

6. The petition has been heard after notice to the respondents. Tamil Nadu Electricity Board in its reply has raised certain issues, like cost over-run and time over-run, etc. These issues are relevant for consideration while determining final tariff. Since the present petition is for provisional tariff only, the issues raised are not being addressed at this stage. The respondents are at liberty to bring up these issues or any other relevant, if so advised, when the petition for final tariff is filed. All the issues will be examined then.

7. In respect of the Asset-I, the capital expenditure on the date of commercial operation is less than its apportioned approved cost. Therefore, for the purpose of provisional tariff, we have considered the capital expenditure as on the date of commercial operation. In respect of Asset-II, 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. Accordingly, debt and equity have been proportionately reduced.

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

(Rs. in lakh)		
	Asset-I	Asset-II
	<b>2008-09 (Pro rata)</b>	<b>2008-09 (Pro rata)</b>
Depreciation	243.95 @ 2.98	27.43 @3.60
Interest on loan	526.69	49.93
Return on equity	343.96	32.00
Advance Against Depreciation	0.00	0.00
Interest on working capital	41.61	4.78
O & M expenses	260.35	49.35
<b>Total</b>	<b>1416.56</b>	<b>163.49</b>

9. We allow transmission charges tabulated above for the transmission assets, 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. The petitioner shall also furnish the detailed justification for time over-run and cost over-run.

Sd/-

sd/-

sd/-

sd/-

**( S. JAYARAMAN) (R.KRISHNAMOORTHY) (BHANU BHUSHAN) (DR.PRAMOD DEO)**  
**MEMBER MEMBER MEMBER CHAIRPERSON**  
**New Delhi dated the 24<sup>th</sup> November 2008**