

CENTRAL ELECTRICITY REGULATORY COMMISSION

Record of Proceedings

PETITION NO. 42/2008

Sub: Determination of final transmission tariff for LILO of 400 kV S/C Korba (STPS)-Raipur (MPEB) transmission line at Sipat in Western Region from 1.5.2006 to 31.3.2009.

Date of hearing :15.7.2008

Petitioner :Power Grid Corporation of India Ltd., Gurgaon

Respondents :Madhya Pradesh Power Transmission Company Ltd.
Maharashtra State Electricity Distribution Company Ltd.
Gujarat Urja Vikas Nigam Ltd.
Electricity Deptt. Government of Goa
Electricity Deptt., Administration of Daman & Diu, Daman
Electricity Deptt., Administration of Dadra Nagar Haveli,
Chhattisgarh State Electricity Board
Madhya Pradesh Audyogik Kandra Vikas Nigam (Indore) Ltd.
NTPC Limited

Coram : Shri Bhanu Bhushan, Member, and
Shri R.Krishnamoorthy, Member

Parties present :Shri U.K. Tyagi, PGCIL
Shri M.M.Mondal, PGCIL
Shri Prashant Sharma, PGCIL
Shri C.Kannan, PGCIL
Ms. Yogmaya Agnihotri, Advocate, CSEB
Shri A.S.Pandey, NTPC

The petitioner has sought approval of final transmission tariff for LILO of 400 kV S/C Korba (STPS)-Raipur (MSEB) transmission line at Sipat (the transmission line) forming part of the transmission system associated with Sipat STPS, Stage-I (the transmission system), in Western Region from 1.5.2006, the date of commercial operation, to 31.3.2009, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004.

2. The administrative approval and expenditure sanction for the transmission system was accorded by Ministry of Power under its letter dated 10.12.2003 at an estimated cost of Rs. 167298 lakh, revised to Rs. 233114 lakh under Ministry of Power letter dated 5.3.2008.

3. The Commission by its order dated 16.1.2007 in Petition No. 121/2007 had allowed provisional tariff for the transmission line considering the apportioned approved cost of Rs. 399.09 lakh. In the present petition, the petitioner has claimed tariff considering actual audited expenditure of Rs. 672.58 lakh up to the date of commercial operation, against the revised apportioned approved cost which is stated to be Rs. 709.17 lakh.

3. The Commission heard representatives of the parties present.

4. Learned counsel for Chhattisgarh State Electricity Board (CSEB) stated that copy of the petition had not been received and requested for short adjournment. Although the petitioner produced proof of despatch of copy of the petition to CSEB, a copy was handed over in court to the learned counsel. The Commission directed the learned counsel to submit reply within two weeks with advance copy to the petitioner.

5. The representative of the petitioner, when asked to explain disproportionate increase (78%) in the apportioned approved cost of the transmission line, as compared to overall increase of 39% in the revised cost

estimate for the transmission system approved by Ministry of Power, stated that the costs directly attributable to the transmission line were booked against that transmission line, but the common costs including IDC and IEDC are apportioned to all the transmission assets on *pro rata* basis, and stated that this methodology could create some distortion. Further, he stated that even though commissioning of the transmission line was advanced but IDC and IEDC were apportioned to the transmission line based on total estimated IDC and IEDC.

6. Attention of the representative of the petitioner was invited to the reply filed by MPPTCL, according to which, certain loans in the form of bonds carrying costlier interest @ 9.25% should have been swapped with cheaper loans. In this regard, he clarified that the present interest rates were even higher and there was no call and put option in the bonds.

7. The petitioner was directed to file on affidavit, its response to the issues raised during the hearing, within two weeks.

8. The petition may be re-notified for hearing if required in case the reply to be submitted by CSEB so warrants. Otherwise, the petition will be disposed of through an order on the basis of the documents filed.

Sd/-
K.S.Dhingra
Chief (Legal)