

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**Petition No. 70/2008**

**In the matter of**

Determination of provisional transmission tariff for Ckt-I and Ckt-II of 400 kV D/C Nagda-Dehgum transmission line along with associated bays equipment at Nagda & Dehgum sub-station commissioned under Sipat-I transmission system in Western Region for the period from 1.1.2008 & 1.2.2008 and 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., Baroda
4. Electricity Deptt., Government of Goa, Panaji
5. Electricity Deptt., Administration of Daman and Diu, Daman
6. Electricity Deptt., Administration of Dadra Nagar Haveli, Silvassa
7. Chhattisgarh State Electricity Board, Raipur
8. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd, Indore.**Respondents**

**The following were present:**

1. Shri U.K. Tyagi, PGCIL
2. Shri M.M.Mondal, PGCIL
3. Shri Prashant Sharma, PGCIL
4. Shri C.Kannan, PGCIL
5. Shri S.K.Niranjan, PGCIL
6. Ms. Yognaya Agnihotri, Advocate, CSEB

**ORDER  
(DATE OF HEARING: 15.7.2008)**

The application has been made for approval of provisional transmission charges for Ckt-I and Ckt-II of 400 kV D/C Nagda-Dehgum transmission line with associated bays commissioned under Sipat-I transmission system (the transmission system) in Western Region for the period from 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 administrative approval and expenditure sanction for the transmission system was accorded by Ministry of Power under letter dated 10.12.2003 at an estimated cost of Rs. 167298 lakh, which included IDC of Rs. 12323 lakh. Subsequently, the approval of revised cost estimate was accorded by Ministry of Power under letter dated 5.3.2008 at an estimated cost of Rs. 233114 lakh. As per revised approval dated 5.3.2008, the transmission system is to be executed by the petitioner, and was scheduled for commissioning by March 2008.

3. The date of commissioning of the transmission assets, their apportioned approved cost and the actual cost as on the date of commercial operation, as given by the petitioner are as under:

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.	Ckt-I	1.2.2008	9908.10	9114.99
2.	Ckt-II	1.1.2008	30099.48	27218.41

4. The expenditure up to 31.3.2007 has been verified from the audited statement of accounts for the year 2006-07. For the period from 1.4.2007 to the date of commercial operation of the respective transmission asset, 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 line:

(Rs. in lakh)		
Period	Ckt-I	Ckt-II
2007-08 (Pro-rata)	235.46	1405.77
2008-09	927.31	3677.47

6. The petition has been heard after notice to the respondent, Madhya Pradesh Power Trading Co, Ltd. (MPPTCL) has filed its reply. During the hearing, the learned counsel for the Chhattisgarh State Electricity Board (CSEB) had sought two weeks time to file reply. CSEB has not filed its reply.

7. The capital expenditure of the transmission assets 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 the 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)				
	Ckt-I		Ckt-II	
	2007-08 (Pro- rata)	2008-09	2007-08 (Pro- rata)	2008-09
Return on equity	63.80	382.83	285.79	1143.17
Depreciation	41.52 @ 2.57%	249.11 @ 2.57%	179.73 @ 2.64%	718.91 @ 2.64%
Advance Against Depreciation	0.00	0.00	0.00	0.00
Interest on loan	98.58	577.99	397.19	1551.10
O & M expenses	24.63	153.96	36.94	153.96
Interest on working capital	6.92	41.54	27.65	110.50
<b>Total</b>	<b>235.46</b>	<b>1405.44</b>	<b>927.30</b>	<b>3677.65</b>

9. We allow transmission charges tabulated above for the transmission system, 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 31.12.2008.

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 reasons for delay of commissioning of the transmission system.

12. Accordingly, the petition stands disposed of.

**Sd/-**  
**(R.KRISHNAMOORTHY)**  
**MEMBER**  
**New Delhi dated the 11th September 2008**

**sd/-**  
**(BHANU BHUSHAN)**  
**MEMBER**