

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Application No.9/2000 in Petition No.14/2000

Present:

1. Shri S.L. Rao, Chairman
2. Shri D.P. Sinha, Member
3. Shri G.S. Rajamani, Member
4. Shri A.R. Ramanathan, Member

In the matter of

Approval for Transmission Tariff and Miscellaneous Application for ad interim order for 400 KV S/C Korba – Raipur Transmission Line, loop in loop out of Korba – Bhilai and Bhilai – Chanderpur lines and 315 MVA ICT (I & II) and associated bays in WR.

AND

In the matter of :

M/s. Power Grid Corporation of India Ltd.,
B-9, Qutab Institutional Area,
Katwaria Sarai, Petitioner
New Delhi-110 016.

The following were present :-

1. Shri S.K. Dube, ED-Comm., PGCIL..... Petitioner
2. Shri S. Sachdev, GM, PGCIL -do-
3. Shri S.S. Sharma, AGM (Comm)
4. Shri V.V. Sharma, DGM (C), PGCIL -do-

ORDER

(Date of Hearing 24.04.2000)

This petition has been filed by Power Grid Corporation of India Ltd., (PGCIL) seeking approval of the Commission for Transmission Tariff and an Interlocutory Application for ad interim order for 400 KV S/C Korba – Raipur Transmission Line, LILO of Korba – Bhilai transmission line and 315 MVA ICT (I & II) and associated bays in WR, in commercial operation since 1/1/2000 and LILO of Bhilai-Chanderpur transmission line and 315 MVA inter-connecting transformer with associated bays at Raipur which were expected to be commissioned w.e.f. 1/4/2000. The petitioner has also filed an IA (No.8/2000) for interim order in its favour till final determination of tariff by the Commission and disposal of the main petition.

2. According to the petitioner, Government of India had approved implementation of the transmission projects under Vindychal Stage-II transmission system in Western Region, at an estimated cost of Rs.657.71 crore, including IDC of Rs.110.29 crores. Subsequently the scope of work was modified and

such modifications were agreed to by the constituents in a meeting held on 26th September, 1996. The scope of the work as finally undertaken by the petitioner was as under:

a. Transmission Lines

- i. 400 KV D/C Vindhyachal-Satna and Satna-Bina transmission line
- ii. 400 KV S/C Korba – Raipur transmission line.
- iii. LILO of one circuit of 400 KV D/C Korba – Bhilai transmission line at Raipur
- iv. LILO of one circuit of 400 KV D/C Bhilai – Chandrapur transmission line at Raipur

a. Substations

- i. New 400/220 KV Intermediate substation (POWERGRID) near Satna with transformation capacity of 1X315 MVA ICT.
- ii. Extension of 400 KV Substation at Bina (MPEB) by two 400 KV bays.
- iii. Extension of 400 KV switchyard at Korba STPP (NTPC) by one 400 KV bay.
- iv. New 400/220 KV Substation at Raipur (POWERGRID) with transformation capacity of 2X315 MVA ICTs.

3. The petitioner has already built in the following assets, at an estimated cost of Rs.434.27 crores:-

- a. 400 KV D/C Vindhyachal-Satna transmission line and associated bays
- b. 400 KV D/C Satna – Bina transmission line and associated bays
- c. 400/220 KV substation at Satna with transformation capacity of 1 X 315 MVA ICT.

4. The above noted assets are under commercial operation since 1st August, 1999. The Commission had already allowed the petitioner to charge transmission tariff on provisional basis for these assets vide its Order dated 30/11/99 in Petition No.10/99.

5. The estimated completion cost of the assets noted in para 1 above, as per audited certificate is Rs.16,116.09 Lakhs in respect of the assets which were put to commercial operation w.e.f. 1.1.2000 and Rs.2993.22 lakhs for the assets put to commercial operation w.e.f 1.4.2000. The tariff proposal was discussed by the petitioner with the respondents. It has been observed from the minutes dated 10th January, 2000 that the respondents had agreed to make provisional payment at the rate of 90% of the tariff calculation circulated by the PGCIL, subject to adjustment after approval of the final tariff by the Commission.

6. Today the application for interim relief was listed for hearing. Shri S.Sachdev, GM (Comm.), representing PGCIL requested the Commission for 100% payment on provisional basis because the assets are already under commercial use.
7. None of the respondents was present. One of the respondents namely MPEB had filed its reply. MPEB has stated that the scope of the work had been reduced which should have resulted in the corresponding reduction of the project cost. MPEB has also pointed out the delay in completion of the cost of project.

8. Shri Sachdev appearing for the petitioner explained that it was not open to the PGCIL to reduce the approved cost of the project and it was within the purview of CEA/Ministry of Power. He, however, conceded that it was obligatory for the PGCIL to take up the matter with CEA/ Government of India for proportionate reduction in the cost as well as interest, though he maintained that the estimated completion cost of the project was within the ceiling of the original approved cost. He had also clarified that minor delay in the implementation of the project was due to non-cooperation on the part of the SEBs in timely shut down of the system.

9. We are of the opinion that the petitioner has not properly explained the issue regarding

proportionate reduction in the cost and consequential interest liability, etc. We also find that there is anticipated expenditure which is yet to be incurred up to December, 2000 and the petitioner cannot be permitted to base its tariff calculations on the costs which are yet to be incurred.

10. After considering the facts on record and the submissions made by the representative of the petitioner, we find that the claim of the petitioner for payment of 100% tariff on provisional basis cannot be termed as just and fair. We, therefore, direct that the respondents shall pay 90% of the tariff claimed by the petitioner in this petition, on provisional basis, subject to adjustment after final determination of tariff by the Commission, though the petitioner may raise the bill for the full amount.
11. The petitioner is also directed to furnish the following details on affidavit:
 - a. Fresh certificate from the auditor confirming annual expenditure up to 1.4.2000 vis-à-vis original sanction.
 - b. Details of anticipated expenditure, duly certified by the Auditors.

9. With the above directions, IA No.8/2000 stands disposed of.

Sd/-
(A.R. Ramanathan)
Member

Sd/-
(G.S. Rajamani)
Member

Sd/-
(D.P. Sinha)
Member

Sd/-
(S.L. Rao)
Chairman

New Delhi dated the 24th April, 2000.