

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Application No.9/2000 in Petition No.15/2000

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 for 220 KV D/C Unchhar- Kanpur Line-II -ICT-II at Kanpur sub-station & 220 KV S/C/ RAPP –B – Udaipur Line with LILO RAPP –A – Kota line alongwith associated bays in Northern Region.

In the matter of :

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

AND

Rajasthan State Electricity Board and Others Respondents

The following were present :-

- | | | |
|----|--|------------------|
| 1. | Shri S.K. Dube, ED-Comm., PGCIL | Petitioner |
| 2. | Shri S. Sachdev, GM, PGCIL | -do- |
| 3. | Shri V.V. Sharma, DGM (C), PGCIL | -do- |
| 4. | Shri A.N. Ghosh, DGM, UPPCL | Respondent |
| 5. | Shri T.L. Gupta, DD, PSEB | -do- |
| 6. | Shri S.C. Mehta, Executive Engineer, RSEB | -do- |
| 7. | Shri R.K. Arora, Executive Engineer, HVPNL | -do- |

**ORDER
(Date of Hearing 24.04.2000)**

The petition has been filed by Power Grid Corporation of India Ltd., (PGCIL) seeking approval of the Commission for tariff for 220 KV D/C Unchhar- Kanpur Line-II -ICT-II at Kanpur sub-station & 220 KV S/C/ RAPP –B – Udaipur Line with LILO RAPP –A – Kota line alongwith associated bays in Northern Region, in commercial operations since 1/1/2000. The petitioner has also filed an interlocutory application (No.9/2000) for interim order in its favour till determination of final tariff by the Commission and disposal of the main petition.

2. According to the petitioner, it has been entrusted with implementation of the following transmission projects for evacuation of central sector power in Northern Region.

- (a) Unchhar Transmission System
- (b) RAPP-B Transmission System

The Unchhar Transmission System envisages the following assets:

Transmission Lines

- a) 2 Nos. 220 KV D/C line from Unchahar (NTPC) to Kanpur (POWERGRID) - 150 Kms each
- b) 2 Nos. 400 KV S/C line from Kanpur (existing) to Kanpur (POWERGRID-new) – 2 Kms each.

Sub Stations_

- a) Extension of sub-station at Kanpur (POWERGRID)
- b) Establishment of new sub-station at Kanpur (POWERGRID) with 2 X 315 MVA transformer
- c) 4 No. 220 KV line bays at Kanpur (new) Sub-station for LILO of Panki-Mainpuri 220 KV D/C line

3. The petitioner has already built the assets described below at an estimated cost of Rs. 5545.24 lakhs, which were put to commercial use w.e.f. 1.6.1999 and has been allowed to charge transmission tariff on provisional basis for these assets by the Commission's Order dated 3-12-99 on petition No.8/99.

- i) 220 KV Unchahar – Kanpur Transmission Line – 1, Circuit-I alongwith associated bays at Kanpur end.
- ii) 220 KV Unchahar – Kanpur Transmission Line – I, Circuit-II alongwith associated bays at Kanpur end
- iii) 1 No.400/200 KV ICT-I AT Kanpur

4. The petitioner has now submitted that the remaining components of Unchahar transmission system have been completed at an estimated cost of Rs.5652.68 lakhs. The tariff proposal for these assets was discussed by the petitioner with the respondents. It has been observed from the minutes of the NREB meeting held on 7th February, 2000 that the respondents had agreed to pay 83% of the tariff calculated by the PGCIL on provisional basis subject to adjustments after approval of the final tariff.

5. Today IA 9/2000 is listed for hearing. Shri S. Sachdev, GM, PGCIL submitted that the petitioner be allowed to raise bills for 100% tariff subject to adjustment after final determination of tariff by the Commission. It was contended that payment at the rate of 83% would lead to huge arrears and thus it will be difficult for the respondents to discharge such liabilities in one-go. It will also adversely affect the cash flow of the petitioner. Shri Sachdev could not explain the reason for huge difference in the estimated cost and projected cost which were reportedly Rs.56.53 crores and Rs.92.23 crores. However, he had asserted that the beneficiaries who were being charged only for the systems which were already in use.

6. Shri T.L. Gupta, DD, representing PSEB submitted the tariff is required to be calculated on the basis of new norms to be notified by the CERC. Moreover, the petitioner has failed to certify that the tariff calculations are based on actual expenditure subject to the ceiling of approved cost. Therefore, under such circumstances the PSEB is agreeable to pay only 83% of the calculated tariff on provisional basis as agreed in the NREB meeting.

7. Shri S.C. Mehta, Executive Engineer, representing RSEB submitted that the petitioner has not furnished complete details of the cost. The cost of each element/operation of the scheme has not been provided separately. Thus it has not been able possible for them to compare the expenditure incurred with the approved cost as available in the TEC. Moreover, the petitioner has also taken into consideration certain anticipated expenditure. In view of the above facts, the RSEB is not agreeable for 100% payment. However it has no objection for 83% as already agreed during the course of NREB meeting.

8. After considering the facts on record and submissions made by the representatives of various parties we find that it would be just and fair to allow the petitioner to charge

provisional tariff at the rate of 83% of the cost calculated by them. The claim of the petitioner for 100% payment on provisional basis is not justified because neither the components of the cost have been clarified to the satisfaction of the Commission nor it has been certified that the entire expenditure has already been incurred. We, therefore, direct the respondents to pay to the petitioner 83% of the tariff calculated by the petitioner and claimed in this petition, on provisional basis, which shall be subject to adjustment in the light of final order passed by the Commission on the main petition, though the petitioner may raise bills for the amount claimed.

9. The petitioner is directed to furnish the following details on affidavit.

- (a) A consolidated statement of approved cost, actual/ anticipated expenditure with component-wise details and certificate from the auditor in respect of assets under commercial use.
- (b) Reasons for variation in the anticipated cost and approved cost.
- (c) Details of the portion of work yet to be completed.

10. With the above directions, IA No.9/2000 is disposed of

Sd\-	Sd\-	Sd/-	Sd/-
(A.R. Ramanathan) Member	(G.S.Rajamani) Member	(D.P. Sinha) Member	(S.L.Rao) Chairman

New Delhi,
Dated 24.04.2000

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