

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**
3. **Shri Bhanu Bhushan, Member**

Petition No.135/2002

And in the matter of

Approval of Transmission Tariff for LILO of Purnea-Dalkola 132 kV S/C line and extension of Purnea sub-station in Eastern Region for the period 1.11.2003 to 31.3.2004

And in the matter of

Power Grid Corporation of India Ltd.

.... **Petitioner**

Vs

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Kolkata
3. Grid Corporation of Orissa Ltd., Bhubaneswar
4. Damodar Valley Corporation, Kolkata
5. Power Department, Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board, Ranchi

..... **Respondents**

The following were present:

1. Shri P.C. Pankaj, AGM(Comml.), PGCIL
2. Shri D.D. Dhayaseelan, DGM(FA), PGCIL
3. Shri U.K. Tyagi, DGM, PGCIL
4. Shri Umesh Chandra, ED (Comml.), PGCIL
5. Shri S. Mehrotra, Dy. Mgr (F), PGCIL
6. Shri Prashant Sharma, PGCIL
7. Shri V.K. Singh, RE, BSEB

ORDER

(DATE OF HEARING: 04.03.2004)

This petition has been filed for approval of tariff for LILO of Purnea-Dalkola 132 kV S/C line and extension of Purnea sub-station in Eastern Region.

2. The petitioner was entrusted with the implementation of transmission system of 220/132 kV, 100 MVA, ICT and LILO of Purnea-Dalkola 132 kV S/C line at Purnea sub-station in Eastern Region. The respondents have signed the Transmission Service Agreement with the petitioner.

3. The administrative and expenditure sanction for implementation of the scheme was accorded by the Central Government in Ministry of Power vide its letter dated 13.1.2000 at an estimated cost of Rs.940 lakh (2nd quarter 1999 price level), which includes IDC of Rs.57 lakh. According to the petition, the estimated completion cost of the transmission assets is Rs.536.87 lakh. The petitioner has stated that the reasons for variation between estimated completion cost and approved cost are on account of reduction in IEDC, IDC and sub-station cost due to prevailing market conditions.

4. In accordance with the approval dated 13.1.2000, the transmission assets were scheduled to be commissioned within 18 months from that date, that is, by July 2001. It is stated that all works necessary to put the transmission assets were completed and declared under commercial operation on 1.11.2003. The petitioner has explained the reasons for delay by stating that there had been encroachment on sub-station land as a result of which construction work got deferred for about 10 months. The pace of construction was further delayed because of tower rectification work at location No.82 of Purnea-Dalkola line of BSEB. Accordingly, the petitioner has made the amended petition to claim tariff of Rs.62.34 lakh during 2003-2004, that is, from 1.11.2003 to 31.3.2004. The tariff claimed is

based on the estimated completion cost of Rs.536.87 lakh as per the auditors' certificate dated 17.10.2003 which certifies the following details of expenditure:

	<u>Rs. in lakh</u>
(a) Actual expenditure up to 31.3.2003 as per audited accounts	493.75
(b) Expenditure from 1.4.2003 to 30.9.2003 As per provisional accounts	26.05
(c) Estimated expenditure from 1.10.2003 to 31.10.2003, i.e., up to the date of Commercial operation	4.35
(d) Anticipated expenditure	12.72 -----
TOTAL	536.87 =====

5. We are not recording any opinion on the justification for delay furnished by the petitioner. From the auditors' certificate, it is seen that the petitioner has furnished the details of audited expenditure of Rs.519.80 lakh for the period up to 30.9.2003.

6. This petition was earlier heard on 31.1.2003. The Commission vide its order dated 17.2.2003 had allowed an annual provisional tariff of Rs.116.40 lakh, by considering the expenditure of Rs.425.34 lakh up to 31.12.2002. The provisional tariff allowed was 85% of that corresponding to the expenditure of Rs.425.34 lakh. The petitioner is likely to take some more time to produce audited accounts up to 31.10.2003, the date of commercial operation. We do not consider that the petition should be kept pending. Accordingly, we dispose of the petition

with the direction that the petitioner shall be entitled to tariff of Rs.137.62 lakh per year, being 95% of the amount corresponding to cost of Rs.519.80 lakh (the certified expenditure up to 30.9.2003), till further orders on provisional basis. The provisional annual tariff of Rs.137.62 lakh allowed has been arrived at in the following manner:

$$\text{Rs.62.34 lakh} \times \frac{12}{5} \times \frac{519.80}{536.87} \times 0.95 = \text{Rs.137.62 lakh}$$

where Rs.62.34 lakh is the tariff claimed by the petitioner for five months from 1.11.2003 to 31.3.2004.

7. The increase in tariff from 85% to 95% has been allowed on consideration of the fact that the completion cost of the transmission assets is much lower than its approved cost.

8. The petitioner is granted liberty to file a revised petition for approval of final tariff from 1.11.2003, on the formats prescribed by the Commission. The petitioner is exempt from payment of fresh fee while making the revised petition.

9. The present tariff petition stands disposed of in above terms.

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated 25th March, 2004