

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairperson**
2. **Shri Bhanu Bhushan, Member**
3. **Shri A.H. Jung, Member**

Petition No.111/2005

In the matter of

Determination of provisional transmission tariff for 400 kV Tarapur-Padghe Ckt-I including bay extension at Padghe sub-station associated with Tarapur Atomic Power Station Units III and IV in Western Region for the period from 1.3.2005 to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited

...**Petitioner**

Vs

1. Nuclear Power Corporation of India Ltd., Anushaktinagar, Mumbai
2. Madhya Pradesh State Electricity Board, Jabalpur
3. Maharashtra State Electricity Board, Mumbai
4. Gujarat Electricity Board, Baroda
5. Electricity Deptt., Government of Goa, Panaji
6. Electricity Deptt., Administration of Daman & Diu, Daman
7. Electricity Deptt., Administration of Dadra Nagar Haveli, Silvassa
8. Chhattisgarh State Electricity Board, Raipur

Respondents

The following were present:

1. Shri P.C. Pankaj, PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri M.M. Mondal, CM (Fin), PGCIL
4. Shri Prashant Sharma, PGCIL
5. Shri R.T.Agrawal, PGCIL
6. Shri U.V.Jiwane, MSEDCL

**ORDER
(DATE OF HEARING: 23.2.2006)**

The application is made for approval of provisional transmission charges for 400 kV Tarapur-Padghe Ckt-I including bay extension at Padghe sub-station associated with Tarapur Atomic Power Station Units III and IV (the transmission asset) in Western Region.

2. The investment approval for the transmission system was accorded by the Board of Directors of the petitioner company under Memo dated 22.10.2002 at an estimated cost of Rs.23702.00 lakh (2nd quarter, 2002 price level), which includes IDC of Rs. 21.76 crore. The Board of Directors of the petitioner company accorded approval for the revised cost estimate of Rs. 28587.00 lakh. The apportioned cost of the transmission asset is stated to be Rs. 6715.01 lakh. The transmission asset covered in the present petition have been declared under commercial operation w.e.f. 1.3.2005. The petitioner has accordingly claimed provisional transmission charges from the date of commercial operation.

3. The estimated completion cost of the transmission asset is stated to be Rs. 6598.58 lakh. The actual expenditure up to the date of commercial operation, that is, 1.3.2005 was Rs. 6059.72 lakh as per the Chartered Accountant's certificate dated 25.7.2005 placed on record by the petitioner and the balance estimated expenditure is stated to be Rs. 538.86 lakh. The annual provisional transmission charges claimed by the petitioner are given hereunder:

(Rs. in lakh)

period	Annual Transmission Charges
2004--05 (Pro-rata)	63.42
2005-06	756.96
2006-07	758.36
2007-08	756.52
2008-09	741.84

4. The petitioner has claimed provisional transmission charges based on the capital cost of Rs. 6059.72 lakh as on the date of commercial operation. The petitioner has published notices in the newspapers on the provisional tariff proposal in accordance with the procedure specified by the Commission.

5. We have considered the expenditure of Rs. 6059.72 lakh as the base for determining the provisional tariff. However, we allow annual transmission charges of Rs.722. 99 lakh for the transmission assets, on provisional basis from the date of commercial operation subject to adjustment after determination of final tariff. The provisional transmission charges are 95% of the transmission charges claimed by the petitioner.

6. The representatives of the respondents raised the issues regarding apportioned approved cost and demand note of the forest Deptt.. These issues will be considered at the time of final tariff determination, as they are not of much significance for the purpose of provisional tariff.

7. The petitioner has sought approval for the reimbursement of expenditure of Rs. 1,56,080/- incurred on publication of notices in the newspapers. The petitioner shall claim reimbursement of the said expenditure directly from the respondents in one installment in the ratio applicable for sharing of transmission charges. The petitioner has also sought reimbursement of filing fee of Rs.5 lakh paid. A final view on reimbursement of filing fee is yet to be taken by the Commission for which views of the stakeholder have been called for. The view taken on consideration of the comments received shall apply in the present case as regards reimbursement of filing fee.

8. The first respondent approached the petitioner to make it available one 400 kV transmission line and also agreed to pay the transmission charges in full till such time this line was used as a part of the regional system. The beneficiaries in Western Region had agreed that the date of commercial operation could be taken as the first

day of the month following the month in which infirm power is generated by Tarapur Atomic Power Project, Unit III. Accordingly, the provisional transmission charges approved shall be borne exclusively by the first respondent from 1.3.2005 to 30.6.2005 and thereafter by the beneficiaries in the Western Region

9. With the above, the present petition stands disposed of. The petitioner shall file the fresh petition for approval of final tariff in accordance with the Commission's regulations on the subject latest by 31.10.2006.

**sd-/
(A.H. JUNG)
MEMBER**

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

**sd-/
(ASHOK BASU)
CHAIRPERSON**

New Delhi dated the 25th April 2006