

**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. 93/2003

In the mater of

Application for Grant of Transmission License to Bina-Dehgam Transmission Company Limited for 400 KV D/C Bina-Nagda-Dehgam in the States of Madhya Pradesh, Rajasthan and Gujarat.

And in the matter of

Consortium of Tenaga Nasional Berhad, Malaysia (TNB) & Kalpataru Power Transmission Ltd., India (KALPATARU) named TNB-KPTL Consortium for 400 KV D/C Bina-Nagda-Dehgam Line (Project) in the States of Madhya Pradesh, Rajasthan and Gujarat. **Applicant**

The following were present:

1. Shi K.V. Mani, TNB Kalpataru Consortium
2. Mr. Dato Anwar, TNB Kalpataru Consortium
3. Shri Sreesanthan, TNB Kalpataru Consortium
4. Mr. Mofatraj Munot, TNB Kalpataru Consortium
5. Shri Kuljit Singh, TNB Kalpataru Consortium
6. Shri Yogesh Aggarwal, TNB Kalpataru Consortium
7. Shri Hafez, TNB Kalpataru Consortium
8. Shri Ajay Munot, TNB Kalpataru Consortium
9. Shri Anil Kothiwai, TNB Kalpataru Consortium
10. Shri Pawan Singh, DGM, PGCIL
11. Shri Akhil Kumar, PGCIL
12. Shri Ashwani Jain, AGM, PGCIL
13. Shri N. Bhattacharya, GM, PGCIL
14. Shri M. Krishnakumar, PGCIL
15. Shri D.K. Sarkar, PGCIL
16. Shri V.K. Sharma, PGCIL
17. Shri Vijay Kumar, PGCIL
18. Shri S. Garg, DGM, PGCIL
19. Shri N.R. Gupta, PGCIL
20. Shri Sanjay Rai, PGCIL
21. Shri Kanday Patil, GEB
22. Shri S.B. Khyalia, GEB

ORDER

(DATE OF HEARING: 27.2.2004)

This petition was last heard on 30.1.2004. The Commission in its order dated 6.2.2004 passed after hearing on 30.1.2004 had directed the applicant as

also the Central Transmission Utility (CTU) to file separate affidavits indicating the estimated completion cost of Bina-Nagda-Dehgam Transmission Line duly supported by the basis for calculation in support of such cost. In addition, certain other details were also directed to be filed. Affidavits have been filed on behalf of the applicant as also CTU. However, the complete details have not been placed on record.

2. We have heard the representatives of the applicant as also those of CTU. We have also heard Shri Patil who appeared on behalf of Gujarat Electricity Board. None is present on behalf of other beneficiaries despite notice.

3. The applicant had earlier indicated that the estimated completion cost of Bina-Nagda-Dehgam Transmission Line would be around Rs.675 crore. In the revised affidavit filed before the Commission on 16.2.2004, the estimated completion cost is stated to be Rs.657 crore. At the hearing on 30.1.2004, the representative of CTU had indicated that the estimated completion cost of transmission lines should be around 617 crores. In the affidavit now filed on behalf of CTU, the estimated completion cost is stated to be Rs.557 crore, which according to the representative of CTU, is the benchmark price. When asked to explain the reasons for huge variation in the estimated completion cost of Rs.617 crore indicated by CTU on 30.1.2004 and the benchmark price of Rs.557 crore given in its latest affidavit, the representative of CTU explained that the estimated completion cost of Rs.617 crores was worked out in accordance with the methodology adopted by the applicant for computation of estimated completion cost of Rs.675 crore. However, the benchmark price of Rs.557 crore has been

arrived at by applying the methodology prescribed by the Central Government for calculation of estimated cost.

4. In the affidavit filed on 16.2.2004, the applicant has indicated the levelised tariff of about Rs.99 crores per year for 30 years. However, CTU has indicated tariff of about Rs.73 crores per year.

5. Before we take a final view on the application for grant of licence filed by the applicant, we consider it necessary to satisfy ourselves on the question of the estimated completion cost, the likely tariff for the transmission line and other relevant factors. We, therefore, direct that the following information shall be filed by the applicant as also CTU separately in sealed covers addressed to Secretary of the Commission, by name:

- (a) Detailed basis for calculation of estimated cost/benchmark price, on the formats prescribed by the Commission;
- (b) Details of loan considered by the applicant and CTU for the purpose of tariff calculation including the component of foreign loan/FERV, wherever applicable;
- (c) Calculations in support of tariffs indicated by the applicant and the CTU.

6. The representatives of the applicant after due deliberation among themselves had agreed to file the information by 5.3.2004. The above information shall also be filed by CTU by 5.3.2004. The information shall be filed in strict confidence and the details thereof shall not form part of the judicial records available for inspection, etc. without the specific approval or direction of the Commission.

7. The representative of GEB has raised certain pertinent questions on the proposal of the applicant regarding the estimated completion cost, tariff etc. No formal reply has been filed on behalf of GEB. The representative of GEB had undertaken to place on record the views of GEB through a formal affidavit by 5.3.2004.

8. We directed the representative of the applicant to discuss the issue with Secretary of the Commission on 12.3.2004. Chief (Finance) and Chief (Engineering) along with their respective staff shall also be associated with the discussions. The concerned staff shall advise the Commission on the different aspects of the issues involved after due analysis of the information directed to be filed by the applicant and CTU. On consideration of the material on record, the Commission may pass an appropriate order on the application for grant of licence or may fix the application for further hearing a date for which will be indicated separately.

9. This petition was filed on 5.12.2003. In accordance with sub-section (6) of Section 15 of the Electricity Act, 2003, the Commission, may, as far as practicable, within 90 days after the receipt of application, either issue a licence or reject the application for reasons to be recorded in writing. On account of the above noted factors it will not be practicable for the Commission to take decision within 90 days of filing of the application for grant of transmission licence.

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 5th March, 2004