

**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. 23/2006

In the matter of

Approval of provisional transmission tariff for 400 kV D/C Kaiga-Narendra transmission line and 400/220 kV sub-station at Narendra associated with Kaiga-Narendra transmission system in Southern Region for the period from 1.11.2005 to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited

..Petitioner

Vs

1. Karnataka Power Transmission Corporation Ltd, Bangalore
2. Transmission Corporation of Andhra Pradesh Ltd., Hyderabad
3. Kerala State Electricity Board, Thiruvananthapuram
4. Tamil Nadu Electricity Board, Chennai
5. Electricity Department, Govt. of Pondicherry, Pondicherry**Respondents**

The following were present:

1. Shri U.K. Tyagi, PGCIL
2. Shri M.M. Mondal, CM (Fin), PGCIL
3. Shri Rakesh Prasad, PGCIL
4. Shri C.Kannan, PGCIL

**ORDER
(DATE OF HEARING: 4.7.2006)**

The application is made for approval of provisional transmission charges for 400 kV D/C Kaiga-Narendra transmission line and 400/220 kV sub-station at Narendra with 1x 315 MVA transformer associated with Kaiga-Narendra transmission system in Southern Region.

2. The investment approval for 400 kV D/C Kaiga-Narendra transmission line and 400/200 kV D/C sub-station at Narendra with 2x315 MVA transformers was accorded by the Board of Directors of the petitioner company vide letters dated 30.8.2005 and 27.2.2003 at an estimated cost of Rs.18161 lakh (including IDC of Rs. 3131 lakh) and Rs. 6051 lakh (including IDC of Rs. 487 lakh), respectively. The scheduled and actual dates of commercial operation of the assets are as under:

S.No.	Name of asset	Scheduled date of completion	Date of commercial operation
1.	400 kV D/C Kaiga-Narendra transmission line	March 2006	1.11.2005
2.	400/220 kV sub-station at Narendra with 1x315 MVA transformer	August 2005	1.11.2005

3. The second 315 MVA transformer is yet to be completed.

4. The details of estimated completion cost of the transmission assets are as under:

(Rs. in lakh)

S. No	Name of asset	Approved cost	Estimated completion cost	Actual expenditure up to date of commercial operation	Balance Estimated expenditure
1.	400 kV D/C Kaiga-Narendra transmission line	18161.00	15119.06	14558.72	560.34
2.	400/220 kV sub-station at Narendra with 2x315 MVA transformer	6051.00	5599.57 (inclusive of cost of 2 nd 315 MVA transformer)	4436.96	1162.61

5. The annual provisional transmission charges claimed by the petitioner are given hereunder:

(Rs. in lakh)

S.No.	Name of asset	2005-06	2006-07	2007-08	2008-09
1.	400/220 kV Kaiga-Narendra transmission line	801.18@	1872.47	2044.447	2152.36
2.	400/220 kV sub-station at Narendra with 1x315 MVA transformer	351.70@	853.28	869.72	877.81
	Total	1152.88@	2725.75	2914.16	3030.17

@ On pro rata basis for part of the year.

6. The petitioner has claimed provisional transmission charges based on the capital cost 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.

7. The Commission has considered the capital expenditure up to the date of commercial operation as the base for determining the provisional tariff. However, we allow annual transmission charges of Rs.1826.69 lakh and Rs. 801.88 lakh respectively 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 approved by us are 95% of the transmission charges claimed by the petitioner for the full year 2005-06. For part of the year the provisional transmission charges approved shall be worked out on pro rata basis.

8. The petitioner has sought approval for the reimbursement of expenditure of Rs. 91245/- 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.

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 30.10.2006.

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

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

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

New Delhi dated the 4th July 2006