

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chaiperson**
2. **Shri K.N. Sinha, Member**
3. **Shri Bhanu Bhushan, Member**
4. **Shri A.H. Jung, Member**

Petition No. 96/2005

In the matter of

Determination of provisional transmission tariff for 40% Fixed Series Compensation on 400 kV S/C Gooty-Neelmangala Circuit-II at Gooty under FSC project in Southern Region for the period from 1.5.2005 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

.....Respondents

The following were present:

1. Shri U.K. Tyagi, PGCIL
2. Shri P.C. Pankaj, PGCIL
3. Shri M.M. Mondal, CM (Fin), PGCIL
4. Shri Rakesh Prasad, PGCIL
5. Shri R. Krishnaswami, TNEB
6. Shri S.Sawmyanarayanan, TNEB
7. Shri V. Bharatheesha Rao, KPTCL

ORDER

(DATE OF HEARING: 31.1.2006)

The application is made for approval of provisional transmission charges for 40% Fixed Series Compensation on 400 kV S/C Gooty-Neelmangala Circuit-II at Gooty under FSC project (the transmission assets) in Southern Region.

2. The investment approval for provision for 40% Fixed Series Compensation (FSC) on both of the circuits of Nagarjunasagar–Cuddapah 400 kV S/C transmission

lines at Cuddapah end and also at Gooty end of 2 x S/C 400 kV Gooty -Neelmangala transmission line was accorded by the Board of Directors of the petitioner company under Memo dated 22.10.2002 at an estimated cost of Rs. 57.93 crore (2nd quarter, 2002 price level), which includes IDC of Rs. 4.43 crore. The transmission assets covered in the present petition have been declared under commercial operation w.e.f. 1.5.2005. The petitioner has accordingly claimed provisional transmission charges from the date of commercial operation.

3. The estimated completion cost of the transmission assets is stated to be Rs. 1479.33 lakh against the apportioned approved cost of Rs.1457.00 lakh. The actual expenditure up to the date of commercial operation, that is, 1.5.2005 was Rs. 1382.24 lakh as per the Chartered Accountant's certificate dated 31.5.2005 placed on record by the petitioner and the balance estimated expenditure is stated to be Rs. 97.09 lakh. The annual provisional transmission charges claimed by the petitioner are given hereunder:

(Rs. in lakh)	
period	Annual Transmission Charges
2005-06(Pro-rata)	203.09
2006-07	222.23
2007-08	217.54
2008-09	232.43

4. The petitioner has claimed provisional transmission charges based on the capital cost of Rs. 1382.24 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.1382.24 lakh as the base for determining the provisional tariff. However, we allow annual transmission charges of Rs. 210.48 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 treatment of depreciation during moratorium period and of one bay Vs part bay for the purpose of O & M expenses. 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. 74,167/- 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. 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 31.5.2006.

sd-/ (A.H. JUNG) MEMBER	sd-/ (BHANU BHUSHAN) MEMBER	sd-/ (K.N.SINHA) MEMBER	sd-/ (ASHOK BASU) CHAIRPERSON
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New Delhi dated the 13th February 2006