

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI  
Record of Proceedings**

**Petition No.74/2006**

Coram : Dr. Pramod Deo, Chairperson  
Shri R.Krishnamoorthy, Member  
Shri S.Jayaraman, Member

Date of Hearing : 17.2.2009

Subject : Approval of charges for Unified Load Despatch and  
Communication Scheme in Eastern Region for the period  
from 1.9.2005 to 31.8.2020.

Petitioner : Power Grid Corporation of India Limited, Gurgaon

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

Parties present : 1. Shri U.K. Tyagi, PGCIL  
2. Shri V.V.Sharma, PGCIL  
3. Shri A.K.Nagpal, PGCIL  
4. Shri B.C.Pant, PGCIL  
5. Shri N.Roy, PGCIL  
6. Shri M.M. Mondal, CM (Fin), PGCIL  
7. Shri R.B.Sharma, Advocate, BSEB  
8. Shri Sakiya Chaudhuri, Advocate, WBSEDCL

Shri Sakiya Chaudhuri, Advocate appearing on behalf of the second respondent sought adjournment for two weeks to enable him to file a reply. The Commission on consideration of the request made permitted the second respondent to file reply by 6.3.2009, with an advance copy to the petitioner, who has been allowed to file its rejoinder, if any, latest by 26.3.2009.

2. Also heard the representative of the petitioner and Shri R.B.Sharma, Advocate for the first respondent.

3. Learned counsel for the first respondent stated that a reply had been filed on its behalf on 23.6.2008. He further stated that the generating companies and the inter-State transmission licensees were required to pay RLDC fees and charges under Section 28 of the Electricity Act, 2003 (the Act). It had been stated that the clarifications were issued by Ministry of Power under Section 183 of the Act, "Power to remove difficulties". He urged that there was no difficulty in the implementation of sub-section (4) of Section 28 of the Act. He submitted that Ministry of Power should be made party-respondent and ask to explain the reasons for issuing order under Section 183 with regard to sub-section (4) of Section 28 of the Act.

4. Learned counsel for the first respondent further raised the following issues:
  - (i) There were no regulations on terms and conditions for determination of tariff for ULDC Scheme;
  - (ii) In absence of any regulations, the petitioner sought approval of tariff for a long period of 15 years; and
  - (iii) Methodology for working of recovery factor was devised for Northern Region only, after hearing the constituents of that region. The same methodology was proposed to be applied to Eastern Region, without hearing the beneficiaries of Eastern Region which according him, was against the principle of natural justice.
  
5. When asked about the methodology to be adopted, it was stated that the petitioner should get 14% return on investment, and in absence of any regulations on determination of tariff, principle contained in Section 62 (5) should be adopted. It was pointed out by learned counsel that the methodology adopted in case of Northern Region was not as per the provisions of the Act. Learned counsel requested for review of the methodology and further stated that some of the works were still pending.
  
6. The petitioner submitted that all the issues raised by the first respondent had already been dealt with vide affidavit dated 25.6.2008. With regard to the methodology, he urged that the tariff for other regions had also been determined based on the same methodology. Special methodology of recovery of levelised tariff in 15 years was devised to avoid front-loading of the tariff, with a view to benefiting all the users of the Scheme. With regard to sharing of charges, the representative of the petitioner requested the Commission for taking a view on the order issued by Ministry of Power under Section 183 of the Act, subject to its due charges being recovered fully.
  
7. The petition shall be re-listed for hearing on 14.4.2009.

sd/-  
**(K.S.Dhingra)**  
**Chief (Legal)**