

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

**Petition Nos.82/2006, 83/2006, 84/2006, 85/2006, 86/2006, 87/2006, 88/2006,
89/2006 and 90/2006**

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

Date of Hearing : 28.5.2009

Subject : Determination of transmission tariff for North-Eastern Region for the period 1.4.2004 to 31.3.2009.

Petitioners : Power Grid Corporation of India Ltd., Gurgaon

Respondents : 1. Assam State Electricity Board, Guwahati
2. Meghalaya State Electricity Board, Shillong
3. Government of Arunachal Pradesh, Itanagar
4. Power and Electricity Department, Govt. of Mizoram, Aizawl
5. Electricity Department, Govt. of Manipur, Imphal
6. Department of Power, Govt. of Nagaland, Kohima
7. Tripura State Electricity Corporation Limited., Agartala

Parties present : 1. Shri M.G.Ramchanacharan, Advocate, PGCIL
2. Shri U.K.Tyagi, PGCIL
3. Shri M.M.Mondal, PGCIL
4. Shri R.Prasad, PGCIL
5. Ms. Sangeeta Edwards, PGCIL
6. Shri Sanjay Sen, Advocate, ASEB
7. Shri H.M.Sharma,ASEB
8. Shri R.K.Kapoor, ASEB
9. Ms. Mallika Sharma Bezbaruah, Consumer,
10. Shri A.K. Datta, representative of Ms. Mallika Sharma Bezbaruah

The Commission approved transmission tariff for the period 1.4.2007 to 31.3.2009 in accordance with Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (the regulations 2004) in respect of the assets covered in these petitions. Based on the appeals filed by the petitioner, the Appellate Tribunal vide its judgment dated 4.11.2008 in Appeal No.73/2008 directed that tariff for the assets owned by the petitioner in North Eastern Region be re-determined from 1.4.2004 onwards and accordingly remanded the matter to the Commission.

2. The Commission heard learned counsel for the petitioner and respondent ASEB and the representatives of the parties.

3. Learned counsel for the petitioner requested to re-determine the transmission tariff in these petitions w.e.f. 1.4.2004 in accordance with the regulations 2004 on the basis of available particulars and that there were no other issues involved.

4. Learned counsel for the ASEB submitted that the petitioners had not filed these petitions as per the regulations 2004 and the Commission vide its order dated 2.1.2007 had directed the petitioner to submit the Forms 5B, 5C and 5D, duly completed in all respects. He further submitted that the said order dated 2.1.2007 had not been challenged by any party and thereby became final.

5. In respect of Loktak transmission system, learned counsel for ASEB stated that petitioner in its petition had declared that power was transmitted in July 1998 while at the same time the date of commercial operation for the transmission system was indicated as on 1.1.2003. He argued that this was not permissible under the regulations 2004 and date of the commercial operation of the asset was to be determined with effect from date of its completion and the subsequent operations. He further submitted that the units of Kathalguri GTPP were commissioned much earlier of the date of commercial operation. However, the petitioner declared the commercial operation on a date much later than the date of actual power flow through the transmission line, in this results, IDC and consequently the ARR increased. In response, the representative of the petitioner submitted that the date of the commercial operation was deferred by NERPC for reasons know to respondents. Learned counsel for ASEB pointed out that the date of the commercial operation should be as per the regulations 2004 and NERPC was not a party in these petitions. He further submitted that the dates of commercial operation of other assets were also not in line with the regulations 2004.

6. In respect of Misa-Koplili transmission line, learned counsel for ASEB submitted that petitioner had furnished misleading information regarding scope of work and the approved estimates RCE-II were prepared much after completion of the project in case of Kathalguri-Mariani transmission line.

7. Referring to the original petition, learned counsel for ASEB submitted that the Ranganandi-Balipara transmission line was declared under commercial operation on 1.1.2003 and it was also used temporarily for providing construction power to RHEP during the period from June 1998 to November 2001. Therefore, the date of commercial operation should not be considered after June 1998 as the petitioner had earned revenue from the transmission line. As such, according to learned counsel for ASEB, the capital cost also needs to be revised downward.

8. The representative of ASEB, Shri Sharma submitted that the 33 kV distribution feeders were additionally included by the petitioner in all the petitions and as per the Grid Code specified by the Commission, such distribution feeders were not to be included for the purpose of the transmission tariff. He further submitted that all the projects had certain costs which had been capitalized. He requested the Commission to look into the cost escalations aspects as well.

9. Contradicting the petitioner's submission that it had not actually recovered cumulative depreciation considered in the earlier order, the representative of Tripura stated that the petitioner had recovered the entire depreciation. According to him, UCPTT fixed resulted in increase in energy transmitted and consequently in increase in revenue. He also raised the issue of 33 kV bays and further submitted that the petitioner should furnish the information in Forms 5B, 5C and 5D.

10. The representative of the consumer, Ms. Mallika Sharma Bezbaruah submitted that she was not made a party before the Appellate Tribunal by the petitioner, but in future she should be made a party. He requested to direct the petitioner to submit the information in Forms 5B, 5C and 5D.

11. In response to respondents' submissions, the representative of the petitioner submitted that no respondent had challenged the Commission's order on above grounds. Aggrieved with the Commission's orders, the petitioner had filed the appeal before the Appellate Tribunal on the aforesaid issues. There was, therefore, no ground for raising these issues at this stage, he argued. The representative of the petitioner propounded that they had filed the tariff petitions as per the regulations 2004 and the information as per Forms 5B, 5C and 5D, introduced in the regulations 2004 was to be furnished for the projects commissioned on or after 1.4.2004. Therefore, these Forms were not furnished with the petitions, he explained. These Forms had been furnished for the assets declared under commercial operation on or after 1.4.2004. Regarding the discrepancies, the representative of the petitioner submitted that there were a number of assets on which expenditure was incurred after the date of the commercial operation and for such assets the petitioner had submitted the auditor's certificates. NERPC had allowed capitalization of certain expenditures. He further submitted that the petitioner took over the transmission network from NTPC, NHPC, NLC and NEEPCO w.e.f 1.1.1992 which included 33 kV transmission lines in NER. In NER, the transmission lines were of 132 kV level and outgoing feeders were of 33 kV level with 132/33 kV ICTs. This transmission lines were being used for evacuation of Central Sector power. Thus, 33 kV transmission lines were also included for O&M purpose.

12. The representative of the petitioner further stated that the Commission had approved tariff from 1.4.2007 based on certain capital cost. At this stage, there could be no question of going back on capital cost and that what was true for 1.4.2007 was true for 1.4.2004 also.

13. On a query by Commission whether these issues were raised earlier, the reply of representative of ASEB was in the affirmative.

14. The Commission reserved its orders in all these petitions.

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(K.S.Dhingra)
Chief (Legal)