

**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 : 19.3.2009
- 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 U.K.Tyagi, PGCIL  
2. Shri M.M.Mondal, PGCIL  
3. Shri R.Prasad, PGCIL  
4. Shri Harmeet Singh, PGCIL  
5. Ms. Sangeeta Edwards, PGCIL  
6. Shri H.M.Sharma,ASEB  
7. Ms. Mallika Bezbaruah, Consumer,  
8. Shri A.K. Datta, representative of Ms. Mallika Bezbaruah

In respect of the assets covered in these petitions, 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). Based on the appeals filed by the petitioner, the Appellate Tribunal vide its judgment dated 4.11.2008 in Appeal No.73/2008 has directed that tariff for the assets owned by the petitioner in North Eastern Region shall be re-determined from 1.4.2004 onwards and accordingly has remanded the matter to the Commission.

2. The Commission heard the representatives of the parties.

3. The representative of the petitioner submitted that three issues were raised before the Appellate Tribunal. First issue was fixation of tariff based on the 2004 regulations w.e.f. 1.4.2004. The second issue related to computation of outstanding loan as in six petitions outstanding loan was calculated by taking the actual loan repayment up to 31.3.2004, and thereafter from 1.4.2004 to 31.3.2007, the loan

repayment was considered equal to the depreciation allowed. By considering this, the Advance Against Depreciation was not allowed. He submitted that before the Appellate Tribunal it was prayed that this outstanding loan be arrived at in accordance with methodology considered by the Commission in respect of all other regions. As stated by the representative of the petitioner, the third issue raised was regarding cumulative depreciation up to 31.3.2004. In this regard, the representative of the petitioner stated that in North Eastern Region transmission tariff was fixed @ 35 paise/kWh of electricity transmitted, which did not allow recovery of full transmission charges. He submitted that the recoveries already made were to be adjusted against O & M expenses first because that was essential part of tariff, necessary to operate and maintain the transmission lines. Thereafter, he stated, the interest on loan liability to the lender was to be considered and remaining amount, if there was any, was to be considered against depreciation. The statement to the effect that that PGCIL had recovered full depreciation amount up to 31.3.1998, thereafter depreciation amount was not fully recovered, had already submitted to the Commission. Taking into account depreciation recovered for each asset, depreciation and cumulative depreciation were to be recovered and tariff was to be fixed, accordingly.

4. Shri Sharma , representative of the Assam State Electricity Board stated that the tariff petitions were not filed in accordance with the 2004 regulations. He pointed out that the petitioner had not submitted Form 5A, 5B, 5C, and 5D along with petitions. He submitted that this issue was highlighted during the hearings earlier. Shri Sharma further stated that the date of commercial of the transmission lines had been shown as on 1.2.2000 and whereas the transmission lines were commissioned earlier on different dates. According to him, the date of commercial operation of the transmission lines should be specified in accordance with the regulations 2004. Shri Sharma further stated that inclusion of 33 kV system as part of the transmission system was not permissible according to Ministry of Power notification dated 16.12.1997. In accordance with the said notification, the petitioner as CTU is to take care of the transmission lines with voltage of 66 kV and above. However, the petitioner had included in 33 kV transmission lines also for the purpose of tariff. Shri Sharma added that while calculating the capital cost of Kopli-Misa transmission line, the scope of work had reduced.

5. Shri Sharma was directed to file reply to the petitions by 16.4.2009 with an advance copy to the petitioner, who was permitted to file its rejoinder, if any, by 30.4.2009. Shri Datta, representative of the consumer also sought three weeks time to file its reply on these petitions. Request was allowed. The Copies of the replies to be filed by the consumer shall be served on the petitioner who has been granted liberty to file rejoinder.

6. The petitions shall be re-notified on 28.5.2009.

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