

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri D.P. Sinha, Member**
2. **Shri G.S. Rajamani, Member**
3. **Shri K.N. Sinha, Member**

Petition No. 67/2000

In the matter of

Approval under Regulation 86 for Final Tariff (Transmission charges) for 50
MVA Auto Transformer at Malda Sub-Station in Eastern Region

And in the matter of

Powergrid Corporation of India Ltd.

Petitioner

Vs West Bengal

State Electricity Board

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Respondent

The following were present:

1. Shri Sunil Agarwal, Chief Manager, PGCIL
2. Shri K.K. Das, GM(SO), PGCIL
3. Shri S.K. Dube, ED (Comml.), PGCIL
4. Shri U.K. Tyagi, Chief Manager, PGCIL
5. Shri S. Prasang, DGM (Comml.), PGCIL
6. Shri T.S.P. Rao, DGM(Law), PGCIL
7. Shri N.C. Roy, CE (Comm.), WBSEB
8. Shri A. Chatteya, SE (CPSED), WBSEB

**ORDER (DATE OF HEARING 27.6.2001 AT
KOLKATA)**

Powergrid Corporation of India Ltd., the petitioner, has filed petition No. 67/2000 on 28.08.2000 for approval of tariff (transmission charges) for 50MVA auto transformer at Malda Sub-station for the period from 1.4.1997 to 31.3.2002. Presently, the petitioner is charging a provisional tariff as per Commission's order dated 22.6.1999 and 1.10.1999. The project was commissioned on 1.9.1995 at a cost of Rs.283.46 lakhs. Based on the completion cost, the petitioner has claimed the following transmission charges in accordance with Govt, of India, Ministry of Power, notification dated 16.12.1997:

PERIOD	ANNUAL TRANSMISSION CHARGES (Rs. In lakhs)
1997-98	66.78
1998-99	64.24
1999-2000	61.75
2000-2001	59.32
2001-2002	56.97

2. The respondent, WBSEB has disputed the reasonableness of the norms contained in Government India's notification dated 16.12.1997 as amended and

applied for calculation of transmission charges in the present case. According to the respondent, return on equity has been unreasonably fixed at 16%. Further, the availability of 95% for the purpose of recovery of fixed charges and computation of incentive based on 95% availability for this system is too low. It has been contended that the availability should be increased to 98%. The respondent in its response has also questioned certain other parameters contained in the notification of 16.12.1997. It therefore, prayed that finalisation of transmission charges for the system should be considered after finalisation of norms and parameters for transmission system by the Commission. It is also the contention of the respondent that the transmission charges should be shared by all the constituents of the Eastern Region, like some other state specific projects, the instances of which have been cited on behalf of the respondent.

3. The Commission has since notified the terms and conditions of tariff on 26.3.2001, based on the orders issued on 8.12.2000 in petition No. 86/2000 and on 21.12.2000 in petition No. 4/2000, 31/2000, 32/2000, 88/2000, etc. These terms and conditions are, however, to be applied prospectively from 1.4.2001. As per the Commission's orders bid, for the period prior to 1.4.2001, the terms and conditions prescribed by the Central Government are applicable. We also find that an agreement has been signed by the petitioner with the respondent on 11.1.2000. As per Clause 2.1 of the agreement, transmission tariff, the terms and conditions for transmission system for this project shall be as per the norms and method indicated in the notification dated 16.12.1997 issued by the Government

of India and in amendment thereto as may be made from time to time. Keeping these circumstances into account, the transmission charges for the present project are to be calculated in accordance with the terms and conditions contained in the notification dated 16.12.1997.

4. We have also considered the other contention raised on behalf of the respondent that the transmission charges for this project should be shared by all the constituents of the Eastern Region. In the agreement dated 11.1.2000, to which a reference has already been made, we find that the respondent has agreed to pay full transmission charges for the system forming the subject matter of the present petition. Therefore, we do not find any merit in this contention as well. However, the respondent is at liberty to discuss the issue at EREB forum with a view to persuading the other constituents to share the transmission charges. We are not inclined to give any direction in this regard.

5. The terms and conditions of tariff notified by the Commission have come into force with effect from 1.4.2001. As a natural corollary of this, the transmission charges for the period from 1.4.2001 are to be worked out in accordance with the terms and conditions prescribed by the Commission. However, we take note of the fact that Hon'ble High Court of Delhi in an appeal [FAO No. 145 2001] filed by the petitioner has directed that the petitioner shall continue to charge tariff on the basis of the pre-existing norms so long as the arrears up to 31st March 2001 due against different respondents (which includes

the present respondent) are not adjusted. It is not the case of the respondent that all dues up to 31st March 2001 have been adjusted. Therefore, the charges for the system are to be computed based on Government of India notification of 16.12.1997.


6. We find that the respondent has not raised any dispute about the calculations based on the notification dated 16.12.1997. We, therefore, direct that for the period from 1.4.97 to 31.3.2001 Govt, of India notification dt. 16.12. 1997 is applicable is allowed as given below. The petitioner shall be entitled to transmission tariff and other charges as claimed in the petition and reproduced below:

PERIOD	ANNUAL TRANSMISSION CHARGES (Rs. In lakhs)
1.4.97 to 31.3.1998	66.78
1.4.98 to 31.3.1999	64.24
1.4.99 go 31.3.2000	61.75
1.4.2000 to 31.3.2001	59.32

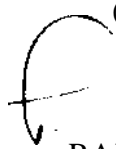
7. Normally, we would have restrained ourselves from approving tariff from a back date. However, in this case, we find that the system is already in commercial use and the transmission charges are being paid, by the respondent, though on provisional basis and the purpose of this order is to regularise the provisional payment already being made. In so far as transmission charges beyond 1.4.2001 are concerned, the same shall be governed by the order dated

26.3.2001 of Hon'ble Delhi High Court in the pending appeal (FAO 145/2001)
filed by the petitioner.


This disposes off the present *d J** petition.



(K.N. SINHA)
MEMBER



(G.S.
RAJAMANI)
MEMBER



(D.P. SINGH)
MEMBER

New Delhi dated the 31st July, 2001