

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**Petition No. 137/2005**

**In the matter of**

Determination of Provisional Transmission tariff for 400 kV D/C Madurai-Thiruvananthapuram transmission system in Southern Region for the period from 1.8.2005 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. Sawmyanarayan, 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 400 kV D/C Madurai-Thiruvananthapuram transmission system (the transmission system) in Southern Region.

2. The investment approval for the transmission system was accorded by the Board of Directors of the petitioner company under Memo dated 22.11.2000 at an estimated cost of Rs. 195.97 crore, which included IDC of Rs. 23.71 crore. The project cost has been revised to Rs. 260.03 crore, as per memorandum dated 30.1.2006, a copy of which has been placed on record by the petitioner under its affidavit dated 30.1.2006. The scheme was to be completed by October 2003. The transmission system was completed in July 2005, and has been declared under commercial operation w.e.f. 1.8.2005. The petitioner has sought to explain that the reasons for delay were beyond its control. This aspect will be considered at the time of approval of final tariff.

3. The estimated completion cost of the transmission line is stated to be Rs. 25725.41 lakh against the approved cost of Rs.26003.00 lakh. The actual expenditure up to the date of commercial operation, that is, 1.8.2005 was Rs. 24383.39 lakh as per the Chartered Accountant's certificate dated 9.8.2005 placed on record by the petitioner and the balance estimated expenditure is stated to be Rs. 1342.02 lakh. The annual provisional transmission charges claimed by the petitioner are given hereunder:

	(Rs.in lakh)
period	Annual Transmission Charges
2005-06(Pro-rata)	2384.39
2006-07	3729.96
2007-08	3809.19
2008-09	4198.36

4. The petitioner has claimed provisional transmission charges based on the capital cost of Rs. 24383.39 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. The actual cost incurred for crop/tree/forest compensation is Rs. 35.73 crore against approved expenditure of Rs. 3.40 crore. Therefore, there is cost over run of Rs. 32.33 crore. The reasons for such a huge of variation need to be explained by the petitioner at the time of approval of final tariff. The representatives of TNEB and KSEB strenuously argued that increase in compensation is because of the liberal approach by the State Governments. However, no precise calculations/evidence have been placed on record to substantiate the averment. We direct that this position may be brought to the notice of State Governments concerned through their Chief Secretaries.

6. The Commission has considered the expenditure of Rs. 24383.39 lakh as the base for determining the provisional tariff. However, we allow annual transmission charges of Rs. 3397.76 lakh for the transmission system, 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.

7. The petitioner has sought approval for the reimbursement of expenditure of Rs. 80,843/- 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)  
CHAIRMAN**

**New Delhi dated the 13<sup>th</sup> February 2006**