

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No.79/2001

In the matter of

Approval of Final Transmission Tariff of 400 kV S/C of Hissar-Bhiwani CKT-I line including associated bays at Hissar & Bihwani-sub-stations, 400 kV S/C of Bawana-Bhiwani line and 400 kV S/C of Hissar-Bawana line alongwith associated bays under Moga-Hissar-Bhiwani Transmission system along with associated bays in Northern Region

And in the matter of

Power Grid Corporation of India Ltd.	Petitioner
Vs		
Rajasthan Rajya Vidyut Prasara Nigam Ltd. & others	Respondents

The following were present:

1. Shri D.D. Chora, Advocate, UPPCL
2. Shri Mahendra Kumar, EE, UPPCL
3. Shri U.K. Tyagi, Chief Manager, PGCIL\
4. Shri P.C. Pankaj, DGM, PGCIL
5. Shri C. Kannan, Chief Manager, PGCIL
6. Shri Garuav, PGCIL
7. Shri S.C. Mehta, XEN (ISP), RRVPNL
8. Shri T.P.S Bawa, Addl. SE, ASEB
9. Shri R.K. Arora, XEN, HVPNL

**ORDER
(DATE OF HEARING 25.6.2002)**

Moga-Bhiwani Transmission System with the following assets was approved by Ministry of Power.

A) TRANSMISSION LINES

- i) 400 kV D/C Moga-Hissar-Bhiwani transmission line (Moga-Hissar as D/C section and Hissar-Bhiwani line as 2 x S/C (section)
- ii) 220 kV D/C Hissar (POWERGRID) – Hissar (BBMB) line (temporarily terminated at Hissar – HSEB substation at present).

B) SUB-SATIONS:

- i) 400/220 kV at substation at Hissar (New) having 2 nos. 315 MVA Auto Transformers
- ii) Extension of substations at Moga and Bhiwani (BBMB)

2. Of the above, the following assets had been earlier built by the petitioner and put under commercial operation.

- i) 400 kV D/C Moga-Hissar line with bays
- ii) 220 kV D/C Hissar (POWERGRID) –Hissar (BBMB) line (temporarily terminated at Hissar-HSEB substation at present)
- iii) 400/200 kV at substation at Hissar (New) aving 2 Nos. 315 MVA Auto Transformers.

3. The representative of the petitioner explained that RCE for Moga-Hissar-Bhiwani transmission system has been approved by Ministry of Power in May, 2001 at a cost of Rs.150.90 crores and that tariff for 400 kV D/C Moga-Hissar, ICTs at New Hissar sub-station and 220 kV D/C line between Hissar (POWERGRID) & Hissar (BBMB), had already been notified by Ministry of Power

in the notification dated 16.11.1998 at a total capital/completion cost of Rs.113.13 crores. He explained that the present petition was for approval of tariff for balance of the assets of the Moga-Hissar-Bhwani transmission system.

4. The petitioner has also sought approval to tariff in respect of certain assets forming part of Nathpa Jhakri Transmission System and it appears that there is some overlapping in the transmission charges claimed by the petitioner.

5. In regard to the overlapping of the cost of assets of the present petition between Moga-Hissar-Bhiwani system and Nathpa Jhakri system, the representative of the petitioner explained that of the two 400kV S/C Hissar-Bhiwani lines, one line had been terminated at Bhiwani while the second line was drawn upto a point near Bhiwani sub-station. He mentioned that 400 kV D/C Bhiwani-Bawana line was also under construction and one of the circuit of said line was terminated at Bhiwani sub-station while the other circuit was connected to the second 400 kV S/C Hissar-Bhiwani line at a point near Bhiwani sub-station, one 400 kV line bay at Bhiwani sub-station was utilised for termination of 400 kV Bhiwani-Bawana line. He clarified that the 400 kV line bay at Bhiwani sub-station, where 400 kV Bhiwani-Bawana line now terminates, had been approved as part of Moga-Hissar-Bhiwani Transmission System for the purpose of tariff, the cost of this bay has been considered as part of Moga-Hissar-Bhiwani transmission system and has not been considered under RCE for Nathpa Jhakri Transmission System. He further clarified that the cost of 400 kV Bhiwani-Bawana line under the

head 'Transmission Line' has been considered in Nathpa Jhakri Transmission System and no component of cost for the said line has been apportioned to Moga-Hissar-Bhiwani system presently under reference.

6. The Commission noted that some of the assets of Moga-Hissar-Bhiwani Transmission System had already been covered in Ministry of Power tariff notification dated 16.11.1998. The representative of the petitioner explained that the proposal for approval of tariff for the remaining assets was made to Ministry of Power but was returned in view of the fact that RCE of the Moga-Bhiwani Transmission System was not approved. He mentioned that the RCE for Moga-Hissar-Bhiwani Transmission System had been approved by Ministry of Power in May, 2001 and thereafter, the present petition was filed. The Commission expressed its concern over the considerable delay in finalisation of tariff and the petitioner was advised to take a serious note of this aspect for future.

7. In our opinion, for tariff purpose of Moga-Hissar-Bhiwani Transmission System, only the associated assets as per RCE should be considered and for any other purpose such as availability of line, etc., Hissar-Bawana and Bawana-Bhiwani line should be treated as single entity. We also direct that the issues regarding apportionment of cost may be discussed separately by the representative of the petitioner with the staff of the Commission for the purpose of final tariff calculation.

8. Shri D.D. Chopra, Advocate appearing for UPPCL pleaded that the petition under reference was filed when the stay order of Delhi High Court on the Commission's norms was not vacated. However, as the stay order now stands vacated, the petitioner should be directed to modify the petition. The learned counsel drew reference to the Commission's order dated 2.1.2002 in tariff petitions No. 45, 75, 80, 82,83 of 2000 filed by NTPC. We may point out that the norms notified by the Commission will apply for the period beyond 1.4.2001 and tariff norms for the period prior to 31.3.2001 issued by the Central Government shall be followed for determination of tariff. In case of transmission tariff, the Commission had already decided to follow Ministry of Power tariff notification dated 16.12.1997 for the period up to 31.3.2001. Accordingly, the petition under reference does not require any modification since the same had been filed based on Ministry of Power tariff notification dated 16.12.1997 and the tariff was to be determined up to 31.3.2001 only.

9. The representative of PSEB stated that the petitioner had not claimed the tariff from 1.7.1995 to 31.3.1997 for 400 kV S/C Hissar-Bhiwani line (terminated at Bhiwani sub-station) and unless the same was finalised, the tariff for the period 1.4.1997 to 31.3.2001 could not be determined. The representative of the petitioner clarified that for the period 1.7.1995 to 31.3.1997, the tariff calculation for 400 kV S/C Hissar-Bhiwani line has been furnished in the original petition.

10. The representative of HVPNL expressed that 400 kV S/C Hissar-Bhiwani line, depreciation was not to be considered for the first year of operation. He further stated that the interest rate of 15.77% considered for the loan of said line was on higher side and no supporting details had been given. He was of the view that in absence of the line lengths, no comments could be made on the capital cost indicated in the petition. It was also mentioned that the petitioner had deployed more equity (58%) than the approved figure of 50% for 400 kV S/C Bawana-Bhiwani line.

11. The representative of petitioner clarified that no depreciation was being claimed in the first year of operation for 400 kV S/C Hissar-Bhiwani line. It was informed that the length of said line was around 30 kms. He stated that the detailed calculation for weighted average interest rate of 15.77% has been given in the petition for Moga-Hissar-Bhiwani Transmission System. It was observed that the details given pertained to tariff notification for 400 kV D/C Moga-Hissar line – one of the assets of Moga-Hissar-Bhiwani Transmission System and the petitioner should furnish similar details for other assets of Moga-Hissar-Bhiwani Transmission System as covered in the present petition.

12. The representative of RRVPNL expressed that the petitioner has considered rate of depreciation as 6.25% in tariff calculation for Hissar-Bhiwani line at page 3 of the petition while the rate of depreciation worked out by them at page 4 of the petition is 6.2%. The representative of Petitioner admitted that there

had been an inadvertent error on its part for not attaching the actual details corresponding to depreciation calculation for Hissar-Bhiwani line. He, however, undertook to submit the correct details by 1.7.2002. It was emphasised by the representative of the petitioner that rate of 6.2% considered by them for depreciation in tariff calculation of Hissar-Bhiwani line was in order. The representative of the petitioner also explained that IEDC was on account of cost of establishment etc. and the same has a ceiling limit of 6.5% as per norms given by the Central Government.

13. On earlier occasions also, the petitioner used to be advised to submit a consolidated statement indicating therein the line lengths for the assets covered in the various petitions pending with the Commission. The petitioner is directed to comply with the directions in all cases.

14. In addition to the details required to be furnished as per the preceding paras, the petitioner is directed to place on record the following information, duly supported by affidavit latest by 1.7.2002:

- (a) Correct calculation sheet for depreciation and interest on loan for 400 kV Hissar-Bhiwani S/C line
- (b) Certificates of date of commercial operation of the respective assets covered in the present petition

- (c) Comparison of original scheduled date for completion of assets vis-à-vis, the actual date of commercial operation and the reasons for time over run, if any.
- (d) Details of calculations of tariff specific to 400 kV S/C Hissar-Bhiwani line included in the tariff notification dated 14.6.1996 for Northern Region, along with financial norms regarding interest on loan, depreciation, return of equity, O&M expenses, interest on working capital etc. as applicable for the period prior to 1.4.1997.
- (e) Auditor's certificate giving the capital expenditure based on audited accounts year-wise in respect of the assets for which the tariff has been claimed in the present petition.
- (f) Details of loan in respect of different assets proforma:

15. The petitioner shall send to the respondents an advance copy of the affidavit to be filed before the Commission.

16. Subject to above, order is reserved and no further hearing will be held.

sd/-

(K.N. SINHA)
MEMBER

sd/-

(G.S. RAJAMANI)
MEMBER

sd/-

(D.P. SINHA)
MEMBER

sd/-

(ASHOK BASU)
CHAIRMAN

New Delhi dated the 26th June 2002