

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairperson**
2. **Shri Bhanu Bhushan, Member**
3. **Shri A.H. Jung, Member**

Petition No. 33/2006

In the matter of

Approval of provisional transmission tariff for 400 kV D/C Bareilly-Mandola line associated with Tala Hydro Electric Power, East-North inter connector and Northern Region transmission system for the period from 2005-2009.

And in the matter of

Powerlinks Transmission Ltd., New Delhi

..Petitioner

Vs

1. Power Grid Corporation of India Limited, Gurgaon
2. Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur
3. Ajmer Vidyut Vitaran Nigam Ltd., Ajmer
4. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
5. Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur
6. Himachal Pradesh State Electricity Board, Shimla
7. Punjab State Electricity Board, Patiala
8. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
9. Power Development Department, Govt. of J&K, Jammu
10. Uttar Pradesh Power Corporation Ltd, Lucknow
11. Delhi Transco Ltd, New Delhi
12. Chief Engineer, Chandigarh Administration, Chandigarh
13. Uttranchal Power Corporation Ltd, Dehradun
14. North Central Railway, Allahabad

....Respondents

The following were present:

1. Shri S. Datta, PTL
2. Shri P.K.Agarwal, PTL
3. Shri P.K.Jha, PTL
4. Shri D.K.Nandi, PTL
5. Shri Rajiv Kumar Gupta, AVVNL
6. Shri A.S.Chauhan, JUVNL
7. Shri Pardeep Mishra, Advocate, DTL
8. Shri U.K. Tyagi, PGCIL
9. Shri P.C. Pankaj, PGCIL
10. Shri M.M. Mondal, CM (Fin), PGCIL
11. Shri C. Kannan, PGCIL

**ORDER
(DATE OF HEARING: 27.7.2006)**

The application is made for approval of provisional transmission charges for 400 kV D/C Bareilly-Mandola transmission line (the transmission line) forming part of

the transmission system associated with Tala Hydro Electric Power, East-North inter-connector and Northern Region transmission system, (the transmission system).

2. The approval for the revised cost estimate of Rs. 248388 lakh, including IDC of Rs. 147.44 lakh for the transmission system was accorded by the Government of India, Ministry of Power under letter dated 29.9.2005, with debt-equity ratio of 70:30. The transmission system is to be implemented by Power Grid and the petitioner, a joint venture company. The details of revised approved cost are given hereunder:

(a) Power Grid portion : Rs. 87210 lakh (including IDC of Rs. 2574 lakh)

(b) Joint Venture Portion : Rs. 161178 lakh (including IDC of Rs. 12170 lakh)

3. The transmission system was to be completed in June, 2006. The petitioner has submitted that at a meeting on 26.4.2006 chaired by Chairman CEA, it was observed that even in absence of Tala power, the implementation of these assets shall benefit the NR system by strengthening the grid and redundancy can be achieved. It has been stated that the respondents consented for early commissioning of the system. Accordingly, the transmission assets have been declared under commercial operation w.e.f. 1.5.2006.

4. The estimated completion cost of the transmission line is stated to be Rs. 21848.00 lakh. The actual expenditure up to the date of commercial operation, that is, 1.5.2006 was Rs.18375.01 lakh as per the Chartered Accountant's certificate dated 15.5.2006 placed on record by the petitioner and the balance estimated expenditure is stated to be Rs. 3472.99 lakh. The provisional transmission charges claimed by the petitioner (inclusive of insurance reserve and licence fee) are given hereunder:

(Rs.in lakh)

period	Annual Transmission Charges	Insurance Reserve	Licence fee	Total transmission charges
2006-07	2524.49	40.73	5.09	2570.31
2007-08	2959.77	40.73	5.09	3005.59
2008-09	3292.11	40.73	5.09	3337.93
Total	8776.36	122.19	15.27	8913.83

5. The petitioner has claimed provisional transmission charges based on the capital cost of Rs. 18375.01 lakh .This includes IDC of Rs. 218.55 lakh incurred after 1.5.2006 and up to 17.7.2006 which has to be deducted for the present purpose. The petitioner has published notices in the newspapers on the provisional tariff proposal in accordance with the procedure specified by the Commission.

6. The Commission has considered the capital cost of Rs.18156.46 lakh (Rs. 18375.01 lakh - Rs. 218.57 lakh), as on the date of commercial operation. Without going into details of the claim, and certain issues arising in the present petition and which will be considered at the time of final tariff, we allow annual transmission charges of Rs. 2585.17 lakh for the transmission system, on provisional basis from the date of commercial operation subject to adjustment after determination of final tariff. This has been arrived at as follows:

$$2524.49 \times \frac{12}{11} \times \frac{18156.46}{18375.01} \times 0.95 = 2585.17.$$

7. The transmission charges shall be shared by respondents 2 to 14, in accordance with the provision of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004.

8. The petitioner has sought approval for the reimbursement of expenditure 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 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.

9. The petitioner has signed Transmission Service Agreement with respondent No. 1 in its capacity as the Central Transmission Utility who has further signed BPTAs with constituents of Northern Regions for sharing of transmission charges of the transmission system in Northern Region and East-North Inter-connector under Tala transmission system and combined BPTAs with Eastern Region constituents for sharing of transmission charges of transmission system in Eastern Region and East-North Inter-connector under the transmission system. These BPTAs cover sharing of transmission charges for the total project i.e. for the project portion being executed by respondent No. 1 as well as the portion being executed by the petitioner.

10. In view of Transmission Service Agreement entered into between the petitioner and respondent No. 1 and also BPTAs entered into between respondent No. 1 and the beneficiaries, respondent No. 1 shall raise bills for tariff and other charges on the beneficiaries in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004.

11. 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 tariff regulations ibid latest by 31.12.2006.

**sd-/
(A.H. JUNG)
MEMBER**

**sd-/
(BHANU BHUSHAN)
MEMBER**

**sd-/
(ASHOK BASU)
CHAIRPERSON**

New Delhi dated the 18th August 2006