

**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. 30/2006**

**In the matter of**

Approval of transmission tariff for LILO of Kolaghat-Rengali 400 kV S/C transmission line at Baripada and establishment of new 400/220/132 kV sub-station at Baripada in Eastern Region for the period from 1.7.2005 to 31.3.2009.

**And in the matter of**

Power Grid Corporation of India Limited

**..Petitioner**

Vs

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Calcutta
3. Grid Corporation of Orissa Ltd, Bhubaneswar
4. Damodar Valley Corporation, Calcutta
5. Power Department, Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board, Ranchi

**.....Respondents**

**The following were present:**

1. Shri U.K. Tyagi, PGCIL
2. Shri P.C. Pankaj, PGCIL
3. Shri J. Mazumder, PGCIL
4. Shri C. Kannan, PGCIL
5. Shri A.K.Nagpal, PGCIL
6. Shri Prashant Sharma, PGCIL
7. Shri AVS Ramesh, PGCIL

**ORDER**

**(DATE OF HEARING: 24.8.2006)**

The application is made for approval of transmission charges for LILO of Kolaghat-Rengali 400 kV S/C transmission line at Baripada and establishment of new 400/220/132 kV sub-station at Baripada ( the transmission assets) in Eastern Region.

2. The investment approval for the assets was accorded by the Board of Directors of the petitioner company vide letter dated 5.12.2001 at an estimated cost of

Rs.6624.00 lakh, which included IDC of Rs. 544.00 lakh. The transmission assets were to be completed by May 2004, but have been declared under commercial operation w.e.f. 1.7.2005. The petitioner has explained that the delay in completion was due to the delay in handing over the land by district administration to the petitioner. The petitioner also explained that land acquisition process was delayed on different accounts during demand note, notification, delay due to scheduled area act, objections by villagers to transfer of land and disturbance by villagers during verification, deferment of handing over of land till removal of crops on land etc. The petitioner has submitted that the reasons for delay were beyond its control.

3. The details of capital expenditure submitted by the petitioner are as follows:

Expenditure up to 31.3.2005	4570.48
Expenditure from 1.4.2005 to 30.6.2005 (Date of Commercial Operation)	186.45
Expenditure from COD to 30.9.2005	29.65
Balance estimated expenditure	1129.00
Total	5915.58

4. The petitioner has claimed the following transmission charges based on the capital cost of Rs. 4756.93 lakh as on the date of commercial operation:

Period	Annual Transmission Charges (Rs.in lakh)
2005-06(Pro-rata)	631.61
2006-07	857.84
2007-08	861.45
2008-09	857.28

5. The petitioner has published notices in the newspapers on the tariff proposal in accordance with the procedure specified by the Commission. However, no suggestions or comments have been received from the general public.

6. The expenditure up to 31.3.2005 has been verified from audited statement of accounts and for the period from 1.4.2005 to 30.9.2005 from books of accounts of the project, yet to be audited. Further, the petitioner has not submitted yet the details of loan allocation duly reconciled with the audited accounts for the year 2005-06. In the circumstances we are inclined to consider the petition for grant of provisional tariff only.

7. WBSEB (Respondent No.2) in its reply has raised certain issues regarding the reduction in approved cost, delay in completion, O & M expenses etc. Since the present petition is being considered for provisional tariff only, the respondents are at liberty to bring up these issues, if so advised in the petition for final tariff. These issues will be examined in the proceeding for final tariff.

8. Taking in to consideration the capital expenditure of Rs. 4756.93 lakh as on the date of commercial operation, as claimed by the petitioner, as the base for determining the provisional tariff, we allow annual transmission charges of Rs. 800.04 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 allowed are 95% of the transmission charges claimed by the petitioner on capital cost of Rs. 4756.93 lakh.

9. 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 stakeholders 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.

10. 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 31.12.2006.

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

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

**Sd/-  
(ASHOK BASU)  
CHARIPERSON**

**New Delhi dated the 24<sup>th</sup> August 2006**