

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairman**
- 2. Shri K.N. Sinha, Member**

**IA No.23/2003
in
Petition No.28/2003**

In the matter of

Approval under Regulation-86 for transmission tariff for (i) 400 kV D/C Nathpa Jhakri-Nalagarh line with associated bays & 2 Nos.400 kV bays at Nalagarh for Kunihar and (ii) 400 kV D/C Nathpa Jhakri-Abdullapur line, ICT-I, Bus Reactor & 2 Nos.220 kV bays for Tepla (HVPNL) at Abdullapur and other associated bays under Nathpa-Jhakri Transmission System in Northern Region, for the period from 01.04.2003 to 31.03.2004

And in the matter of

Power Grid Corporation of India Limited

....Petitioner

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
2. Himachal Pradesh State Electricity Board, Shimla
3. Punjab State Electricity Board, Patiala
4. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
5. Power Development Department, Govt. of J&K, Srinagar
6. Uttar Pradesh Power Corporation Ltd., Lucknow
7. Delhi Vidyut Board, New Delhi
8. Chandigarh Administration, Chandigarh
9. Uttaranchal Power Corporation Ltd., Dehradun
10. Satluj Jal Vidyut Nigarm Ltd., Shimla

.....Respondents

The following were present:

1. Shri U.K. Tyagi, DGM, PGCIL
2. Shri P.C. Pankaj, AGM, PGCIL
3. Shri P.N. Prayas, PGCIL
4. Shri A.K. Behl, CM, PGCIL
5. Shri C. Kannan, CM, PGCIL
6. Shri D. Sen, PGCIL
7. Shri K.K. Mittal, XEN (ISP), RVPN
8. Shri J.S. Bhargava, AEM (ISP), RVPN

9. Shri R.K. Arora, XEN, HVPN
10. Shri T.P.S. Bawa, SE, PSEB
11. Shri J.K. Gupta, Consultant, PSEB
12. Shri A.K. Tandon, UPPCL
13. Shri Mahesh Chandra, UPCL
14. Shri D.D. Dhayasee, DGM (F), PGCIL
15. Shri A.K. Vaidya, HPSEB
16. Shri V.K. Sharma, SJVN
17. Shri R.K. Bansal, SJVN
18. Shri Suresh Kumar, SJVN
19. Shri D.D. Chopra, UPPCL & UPCL

ORDER
(DATE OF HEARING 17.9.2003)

This petition has been filed for approval of tariff in respect of the following transmission elements, forming part of Nathpa Jhakri Transmission System:

- (i) 400 kV D/C Nathpa Jhakri-Nalagarh transmission line with associated bays & 2 Nos.400 kV bays at Nalagarh for Kunihar
- (ii) 400 kV D/C Nathpa Jhakri-Abdullapur transmission line, ICT-I, Bus Reactor & 2 Nos.220 kV bays for Tepla (HVPNL) at Abdullapur.

2. IA No. 23/2003 has been filed for approval of provisional transmission tariff pending disposal of main petition, which is listed after notice. The above noted transmission assets were reportedly put under commercial operation with effect from 1.4.2003, since two generating units of Nathpa-Jhakri HEP were scheduled to be commissioned on 31.3.2003 and put under commercial operation during April,2003. Therefore, the petitioner has sought approval of tariff from that date.

3. The generating units of Nathpa-Jhakri HEP were not commissioned as scheduled. Therefore, the respondents, at the hearing on 8.7.2003 had objected to payment of the transmission charges for the assets noted above. At the hearing on

that date it was brought to our notice that the assets were being used for evacuation of 300 MW of power generated from Baspa-II HEP by HPSEB and HPSEB had agreed to pay the transmission charges. It was submitted on behalf of the petitioner till the commissioning of the generating units of Nathpa-Jhakri HEP, the entire transmission charges should be paid by HPSEB.

4. In the order dated 10.7.2003 passed after hearing held on 8.7.2003, the Commission had directed fresh notice to HPSEB, as it was not represented before the Commission on that date, to apprise the Commission of its views on payment of the transmission charges. The Commission had further directed impleadment of SJVNL as Respondent No.10 and issued notice to SJVNL on the question of delay of commissioning of Nathpa-Jhakri HEP, as it is responsible for construction and commissioning of Nathpa Jhakri HEP.

5. On 17.9.2003, Shri A.K. Vaidya, appeared on behalf of HPSEB. He stated that the above noted two lines along with associated bays have been constructed by the petitioner for evacuation of power from 1500 MW Nathpa Jhakri HEP, which was not commissioned by then, though on the basis of commissioning schedule informed by SJVNL, these lines were to be commissioned with effect from 1.4.2003. Shri Vaidya, further stated that HPSEB had indicated its intention to utilise these transmission lines for evacuation of power from 300 MW Baspa-II HEP on payment of usual transmission charges, as per the terms and conditions of BPTA, as the petitioner, PGCIL, in 339th OCC Meeting of NREB had confirmed that in addition to power generated from Nathpa Jhakri HEP, 300 MW Baspa-II HEP power could also be

evacuated over 400 KV Nathpa Jhakri – Abdullapur-line. Shri Vaidya stated that HPSEB was only interested to utilise spare capacity of these lines, available on incidental basis, for evacuation of Baspa-II HEP power, but had no intention to pay entire transmission charges of 400 KV D/C Jhakri – Nalagarh and Jhakri-Abdullapur lines, under commercial operation with effect from 1.4.2003 at the request of SJVNL. Shri Vaidya informed that flow of 300 MW Baspa-II HEP power on these lines had commenced with effect from 5.6.2003 and, therefore, HPSEB was willing to pay the transmission charges on proportionate basis with effect from that date.

6. Shri V.K. Sharma, General Manager, who appeared on behalf of SJVNL submitted that there was delay in commissioning of the project since due to poor geological conditions, the work of desilting of one of the chambers could not be completed. He stated that SJVNL was making all efforts to commission unit No.V, which could be put under trial run with effect from 18.9.2003 and was likely to be put under commercial operation with effect from 1.10.2003. The commissioning of remaining units, that is, Unit No. VI, IV and III would be subject to desilting of chambers No.II and III, the largest underground chambers presently facing geological problems. He further stated that Unit I, II, III and IV would be put under commercial operation in a phased manner. Shri Sharma stated that 250 MW power was likely to flow on these lines with effect from 1.10.2003.

7. Shri DD Chopra, Advocate, who represented Uttranchal Power Corporation Ltd., brought to our notice the letter dated 12.7.2002 from Director (Finance) of the Corporation which is to the effect that it did not intend to purchase power from 1500

MW Nathpa-Jhakri HEP. He argued that accordingly the Corporation did not have a liability to pay for the charges for the transmission system associated with evacuation of power from the project.

8. Some beneficiaries objected to the manner in which Baspa power has been allowed to be evacuated through this line by the petitioner, without coming to CERC for previous approval as the system has been built for evacuation of NJ HEP and not for Baspa.

9. Some of the generating units of Nathpa Jhakri HEP have since been commissioned and declared under commercial operation. At this stage we do not propose to go into the merits of the rival claims of the parties on their liability to pay the transmission charges, since we are presently considering the question of provisional tariff. The issues raised will be considered at the time of final determination of tariff. The provisional transmission charges being approved by us shall be presently payable from 1.10.2003. For the period from 5.6.2003 to 30.9.2003, HPSEB shall pay the transmission charges on proportionate basis for the transmission assets used for evacuation of 300 MW Baspa-II HEP power. It is also made clear that this payment of transmission charges by HPSEB does not give them any permanent right over the use of the Nathpa Jhakri transmission system for evacuation of Baspa power in future. In fact, it falls in the category of "open access". The liability of other beneficiaries, if any, for payment of transmission charges from 1.4.2003 to 30.9.2003 will be considered along with the main petition.

10. The liability of SJVNL, if any, on account of delay in commissioning of Nathpa-Jhakri HEP shall also be considered at the time of final disposal of the petition. The charges are payable on regional basis. Therefore, prima facie, Uttaranchal Power Corporation Ltd., should be liable for sharing of the provisional charges being approved by us with effect from 1.10.2003. However, the substantial issue is left open to be considered along with the main petition.

11. One of the assets covered under the petition, namely, Nathpa-Jhakri-Abdullapur line, ICT-I at Abdullapur, IX 50 MVAR Bus Reactor at Abdullapur and 220 kV bays at Abdullapur, was completed and capitalised on 31.10.2000. However, the asset could not be put under commercial operation because of the delay in the commissioning of the generating units of Nathpa-Jhakri HEP. Accordingly, the petitioner has notionally capitalised an amount of Rs.6884.55 lakh on account of IDC/IEDC from 1.11.2000 to 31.3.2003 towards the completed cost of the asset. The liability of the respondents, including the Respondent No.10, SJVNL to pay the charges on account of this amount of Rs.6884.55 lakh will also be considered while considering final tariff. For the purpose of authorisation of provisional transmission charges, this sum of Rs.6884.55 lakh will be excluded.

12. The details of apportioned approved cost, estimated completion cost, etc for the two assets as culled from the petition are extracted below:

(Rs. in lakh)

Name of the Asset	Apportioned Approved Cost	Estimated Completion Cost	Actual expenditure upto the date of commercial operation (including provisionally audited expenditure)	Annual Transmission Charges
400 kV D/C Nathpa-Jhakri Nalagarh transmission line and 2 Nos.400 kV bays at Nalagarh for Kunihar	29953.00	33926.94	33726.94	6558.61
400 kV D/C Nathpa-Jhakri-Abdullapur transmission line, ICT-I, Bus Reactor and 2 Nos.220 kV bays for Tepla (HVPN) at Abdullapur	31033.00	34761.30 (including notional capitalisation of Rs.6884.55 lakh on account of IDC/IEDC for the period from 1.11.2001 to 31.3.2003)	27865.05	6747.58

13. We allow the following amounts as annual provisional transmission charges, which are 85% of the transmission charges calculated based on actual expenditure upto the date of commercial operation:

(Rs. in lakh)

400 kV D/C Nathpa-Jhakri Nalagarh transmission line and 2 Nos.400 kV bays at Nalagarh for Kunihar	5541.95
400 kV D/C Nathpa-Jhakri-Abdullapur transmission line, ICT-I, Bus Reactor and 2 Nos.220 kV bays for Tepla (HVPN) at Abdullapur	4597.60

14. These provisional transmission charges shall be shared by Respondents No.1 to 9 in accordance with the directions contained in the preceding paras.

15. With the above directions, IA No.23/2003 stands disposed of.

16. The petitioner is directed to file the amended petition on the basis of actual expenditure up to the date of commercial operation as per the audited annual

accounts of the petitioner, duly supported by details of loan in the prescribed format. The revised petition shall be filed latest by 30.11.2003, with advance copy to the respondents, who may file their reply by 31.12.2203. The rejoinder, if any, may be filed by the petitioner by 15.1.2004. The petition be listed for hearing on 3.2.2004.

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 24th October, 2003