

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri Bhanu Bhusan, Member**

Petition No. 148/2006

In the matter of

Approval of provisional transmission tariff for (i) 400 kV Siliguri sub-station (Extension) (Relevant portion), 400 kV Purnea sub-station (Extension) (Relevant portion) (Excluding 400/220 kV, 315 MVA ICT at Purnea sub-station) 40% Fixed Series Compensation (FSC) and 5% to 15% Thyristor Controlled Series Compensation (TCSC) on each circuit of Purnea-Muzaffarpur 400 kV D/C transmission line at Purnea (ii) 400/220 kV, 315 MVA ICT at Purnea sub-station, and (iii) 400/220 kV Muzaffarpur sub-station (New) (Excluding 2 Nos 400 kV bays at Muzaffarpur with line reactors for Muzaffarpur-Gorakhpur transmission line and ICT II), 220 kV Muzaffarpur sub-station (BSEB Kanti) Extension associated with Tala HEP, East-North inter-connector and Northern Region transmission system, an inter-regional asset between Northern Region and Eastern Region from the date of commercial to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon
Vs

..Petitioner

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Kolkata
3. Grid Corporation of Orissa Ltd., Bhubaneshwar
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 P.C.Pankaj, PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri Umesh Chandra, PGCIL
4. Shri B.C.Pant, PGCIL
5. Shri M.M.Mondal, PGCIL
6. Shri C.Kannan, PGCIL
7. Shri R.B.Sharma, Advocate, BSEB

**ORDER
(DATE OF HEARING: 25.1.2007)**

The application has been made for approval of provisional transmission tariff
for:

(i) 400 kV Siliguri sub-station (Extension) (Relevant portion), 400 kV Purnea sub-station (Extension) (Relevant portion) (Excluding 400/220, kV 315 MVA ICT at Purnea sub-station) 40% Fixed Series Compensation (FSC) and 5% to 15% Thyristor Controlled Series Compensation (TCSC) on each circuit of Purnea-Muzaffarpur 400 kV D/C transmission line at Purnea;

(ii) 400/220 kV 315 MVA ICT at Purnea sub-station; and

(iii) 400/220 kV Muzaffarpur sub-station (New) (Excluding 2 Nos. 400 kV bays at Muzaffarpur with line reactors for Muzaffarpur-Gorakhpur transmission line and ICT II, 220 kV Muzaffarpur sub-station (BSEB Kanti), Extension,

all associated with Tala HEP, East-North inter-connector and Northern Region transmission system, an inter-regional asset between Northern Region and Eastern Region.

2. The administrative approval and expenditure sanction for the transmission system associated with Tala HEP was accorded by Ministry of Power under letter dated 2.7.2003 at an estimated cost of Rs. 198070 lakh, which included IDC of Rs.21792 lakh. Subsequently, the revised cost estimate of the transmission system was approved by Ministry of Power under letter dated 29.9.2005 at Rs. 248388 lakh, including IDC of Rs. 14744 lakh, with debt-equity ratio of 70:30. The transmission system is to be implemented by the petitioner and Powerlinks Transmission Limited, 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 scheduled completion date of the transmission assets are June 2006. However, these assets were declared under commercial operation on the dates indicated hereunder against each:

S.No.	Name of asset	Date of commercial operation
1.	400 kV Siliguri sub-station (Extension) (Relevant portion), 400 kV Purnea sub-station (Extension) (Relevant portion) (Excluding 400/220, kV 315 MVA ICT at Purnea sub-station) 40% Fixed Series Compensation (FSC) and 5% to 15% Thyristor Controlled Series Compensation (TCSC) on each circuit of Purnea-Muzaffarpur 400 kV D/C transmission line at Purnea	1.5.2006
2.	400/220 kV 315 MVA ICT at Purnea	1.6.2006
3.	400/220 kV Muzaffarpur sub-station (New) (Excluding 2 Nos. 400 kV bays at Muzaffarpur with line reactors for Muzaffarpur-Gorakhpur transmission line and ICT II, 220 kV Muzaffarpur sub-station (BSEB Kanti) Extension	1.9.2006

4. The petitioner has explained that delay in completion of the transmission assets was due to Panchayat election in Bihar during April-May 2006 and one fire incident on the site on 29.4.2006 which adversely affected the progress of site work and mobilization of men, material as well as T & P and labour injury. The petitioner has submitted that the reasons for delay were beyond its control. At this stage, we are considering the provisional tariff for the transmission assets. Therefore, the grounds for delay will be considered by the Commission at the time of approval of final tariff.

5. The details of capital expenditure submitted by the petitioner in support of its claim for tariff are as follows:

(Rs. in lakh)

S. No	Name of asset	Apportioned approved cost	Expenditure up to 31.3.2006 (Audited)	Expenditure from 1.4.2006 to date of commercial operation	Balance estimated expenditure	Total
1.	400 kV Siliguri sub-station (Extension) (Relevant portion), 400 kV Purnea sub-station (Extension) (Relevant portion) (Excluding 400/220, kV 315 MVA ICT at Purnea sub-station) 40% Fixed Series Compensation (FSC) and 5% to 15% Thyristor Controlled Series Compensation (TCSC) on each circuit of Purnea-Muzaffarpur 400 kV D/C transmission line at Purnea	11665.00	9234.28	1270.39	344.00	10848.67
2.	400/220 kV 315 MVA ICT at Purnea	1368.00	826.43	187.18	95.00	1108.61
3.	400/220 kV Muzaffarpur sub-station (New) (Excluding 2 Nos. 400 kV bays at Muzaffarpur with line reactors for Muzaffarpur-Gorakhpur transmission line and ICT II, 220 kV Muzaffarpur sub-station (BSEB Kanti) Extension	6673.00	3334.98	1288.61	1549.00	6172.59

6. The annual provisional transmission charges claimed by the petitioner are given hereunder:

(Rs. in lakh)

S.No.	Name of asset	2006-07 (Pro rata)	2007-08	2008-09
1.	400 kV Siliguri sub-station (Extension) (Relevant portion), 400 kV Purnea sub-station (Extension) (Relevant portion) (Excluding 400/220, kV 315 MVA ICT at Purnea sub-station) 40% Fixed Series Compensation (FSC) and 5% to 15% Thyristor Controlled Series Compensation (TCSC) on each circuit of Purnea-Muzaffarpur 400 kV D/C transmission line at Purnea	1519.73	1650.72	1643.23
2.	400/220 kV 315 MVA ICT at Purnea	153.03	184.10	184.51
3.	400/220 kV Muzaffarpur sub-station (New) (Excluding 2 Nos. 400 kV bays at Muzaffarpur with line reactors for Muzaffarpur-Gorakhpur transmission line and ICT II, 220 kV Muzaffarpur sub-station (BSEB Kanti) Extension	542.28	934.55	937.95

7. The petitioner has claimed provisional transmission charges based on the capital cost as on the date of commercial operation of the respective asset.

8. The expenditure up to 31.3.2006 has been verified from audited statement of accounts. For the period from 1.4.2006 to the date of commercial operation, the expenditure indicated is based on books of accounts, yet to be audited.

9. The petition has been heard after notice to the respondents. BSEB in its reply has raised certain issues. Since the present petition is being considered for provisional tariff only, the issues raised are not being gone into at this stage. The respondents are at liberty to bring up these issues, if so advised when the petition for final tariff is filed in due course and these issues will be examined then. The petitioner

shall, however, take these points into account while making the application for approval of final tariff.

10. Taking into consideration the capital expenditure up to the date of commercial operation, as claimed by the petitioner, as the base, we allow following annual transmission charges on provisional basis from the date of commercial operation of the respective asset, subject to adjustment after determination of final tariff:

(Rs. in lakh)

S.No.	Name of asset	Annual transmission charges
1.	400 kV Siliguri sub-station (Extension) (Relevant portion), 400 kV Purnea sub-station (Extension) (Relevant portion) (Excluding 400/220, kV 315 MVA ICT at Purnea sub-station) 40% Fixed Series Compensation (FSC) and 5% to 15% Thyristor Controlled Series Compensation (TCSC) on each circuit of Purnea-Muzaffarpur 400 kV D/C transmission line at Purnea	1574.99
2.	400/220 kV 315 MVA ICT at Purnea	174.45
3.	400/220 kV Muzaffarpur sub-station (New) (Excluding 2 Nos. 400 kV bays at Muzaffarpur with line reactors for Muzaffarpur-Gorakhpur transmission line and ICT II, 220 kV Muzaffarpur sub-station (BSEB Kanti) Extension	883.14

11. The provisional transmission charges allowed are 95% of the transmission charges claimed by the petitioner corresponding to the capital cost as on the date of commercial operation of the respective asset.

12. The transmission charges shall be shared by the respondents in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004.

13. The petitioner has sought approval for the reimbursement of expenditure of Rs. 1,85,325/- incurred on publication of notices in the newspapers. The petitioner shall

claim reimbursement of the said expenditure directly from 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.

14. 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 31.10.2007.

15. The petitioner is also directed to file the following information/clarifications at the time of filing of petition for approval of final tariff, namely:-

- (a) Details of apportioned approved cost of all the assets pertaining to the transmission system associated with Tala HEP as a whole;
- (b) Documents in support of loans raised; and
- (c) A certificate, duly signed by the Auditors, certifying the loan details duly reconciled with audited accounts for the year 2006-07.

Sd/-
(BHANU BHUSHAN)
MEMBER

sd/-
(ASHOK BASU)
CHAIRPERSON

New Delhi dated the 29th January 2007