

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R.Krishnamoorthy, Member**

Petition No. 6/2008

In the matter of

Determination of provisional transmission tariff for (i) LILO of one Ckt of 400 kV D/C Ballabgarh-Dadri transmission line at Maharaniabagh GIS along with associated bays and 315 MVA 400/220/33 kV ICT-I at Maharaniabagh GIS along with associated bays (ii) 315 MVA 400/220/33 kV ICT-II at Maharaniabagh GIS along with associated bays under Tala HEP, East-North Inter-connector and Northern Region Transmission system for tariff block 2004-09.

And in the matter of

Power Grid Corporation of India Ltd., Gurgaon
Vs

.... Petitioner

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

.Respondents

The following were present:

1. Shri V.V.Sharma PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri M.M.Mondal, PGCIL
4. Shri A.K.Nagpal, PGCIL
5. Shri C.Kannan, PGCIL
6. Ms. Sangeeta Edwardos, PGCIL
7. Shri T.P.S. Bawa, OSD, PSEB

ORDER
(DATE OF HEARING: 11.3.2008)

The application has been made for approval of provisional transmission charges for (i) LILO of one Ckt of 400 kV D/C Ballabgarh-Dadri transmission line at Maharaniabagh GIS along with associated bays and 315 MVA 400/220/33 kV ICT-I at Maharaniabagh GIS along with associated bays (ii) 315 MVA 400/220/33 kV ICT-II at Maharaniabagh GIS along with associated bays (the transmission assets) under Tala HEP, East-North Inter-connector and Northern Region Transmission system (the transmission system) for tariff for the period from the date of commercial operation of the respective asset to 31.3.2009, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (the 2004 regulations).

2. The investment approval for the transmission system was accorded by Ministry of Power vide its letter dated 2.7.2003 at an estimated cost of Rs.198070 lakh, which includes IDC of Rs. 21792 lakh. Subsequently, the approval of revised cost estimate-I was accorded by Ministry of Power vide its letter dated 29.9.2005 at an estimated cost of Rs. 248388 lakh includes IDC of Rs. 14744 lakh. The transmission system is to be implemented by the petitioner and Joint Venture company as under:

- (i) PGCIL portion: 87210 lakh (including IDC of Rs. 2574 lakh)
- (ii) JV portion Rs. 161178 lakh (including IDC of Rs. 12170 lakh)

3. The transmission assets form part of the portion entrusted to the petitioner. The date of commissioning of the respective transmission asset, apportioned approved cost and the actual cost as on the date of commercial operation, as given by the petitioner are as hereunder:

S. No	Name of Asset	Date of commercial operation	Apportioned approved cost (Rs. in lakh)	Capital cost as on date of commercial operation (Rs. in lakh)
1.	LILO of one Ckt of 400 kV D/C Ballabgarh-Dadri transmission line at Maharanibagh GIS along with associated bays and 315 MVA 400/220/33 kV ICT-I at Maharanibagh GIS along with associated bays	1.9.2007	16063.04	12657.13
2.	315 MVA 400/220/33 kV ICT-II at Maharanibagh GIS along with associated bays	1.10.2007	5125.40	2994.21
	Total		6731.44	15651.34

4. The expenditure up to 31.3.2007 has been verified from the audited statement of accounts for the year 2006-07. For the period from 1.4.2007 to the date of commercial operation of the respective transmission asset, the expenditure indicated is based on books of accounts, which is yet to be audited.

5. The petitioner has claimed the following provisional transmission charges based on the capital cost as on the date of commercial operation of the respective transmission line:

(Rs. in lakh)		
Period	LILO of one Ckt of 400 kV D/C Ballabgarh-Dadri transmission line at Maharanibagh GIS along with associated bays and 315 MVA 400/220/33 kV ICT-I at Maharanibagh GIS along with associated bays	315 MVA 400/220/33 kV ICT-II at Maharanibagh GIS along with associated bays
2007-08 (Pro-rata)	1062.98	258.80
2008-09	1755.15	517.35

6. The petition has been heard after notice to the respondents. Ajmer Vidyut Vitran Nigam Limited, Jodhpur Vidyut Vitran Nigam Limited and Jaipur Vidyut Vitran Nigam Limited in their replies have raised certain issues which are relevant for consideration while determining final tariff. Since the present petition is for provisional tariff only, the issues raised are not being addressed at this stage. The respondents are at liberty to bring up these issues, if so advised, when the petition for final tariff is filed and the issues will be examined then.

7. In respect of the transmission assets, the capital expenditure on the date of commercial operation is less than the apportioned approved cost. Therefore, for the purpose of provisional tariff, we have considered the capital expenditure as on date of commercial operation as per para 3 above.

8. The details of capital cost, equity and loan claimed by the petitioner and considered for the purpose of provisional transmission tariff are as follows:

(Rs. in lakh)			
		LILO of one Ckt of 400 kV D/C Ballabgarh-Dadri transmission line at Maharaniabagh GIS along with associated bays and 315 MVA 400/220/33 kV ICT-I at Maharaniabagh GIS along with associated bays	315 MVA 400/220/33 kV ICT-II at Maharaniabagh GIS along with associated bays
Capital cost	Claimed	12657.13	2994.21
	Allowed	12657.13	2994.21
Equity	Claimed	3796.73	892.05
	Allowed	3796.73	892.05
Loan	Claimed	8860.40	2102.16
	Allowed	8860.40	2102.16

9. Based on the above, the provisional transmission charges are determined as follows:

(Rs. in lakh)

	LILO of one Ckt of 400 kV D/C Ballabgarh-Dadri transmission line at Maharaniabagh GIS along with associated bays and 315 MVA 400/220/33 kV ICT-I at Maharaniabagh GIS along with associated bays		315 MVA 400/220/33 kV ICT-II at Maharaniabagh GIS along with associated bays	
	2007-08 (Pro- rata)	2008-09	2007-08 (Pro- rata)	2008-09
Return on equity @ 14%	310.07	531.54	62.44	124.89
Depreciation	218.39 @ 2.96%	374.39 @ 2.96%	52.88 @ 3.53%	105.76 @ 3.53%
Advance Against Depreciation	0.00	0.00	0.00	0.00
Interest on loan	352.12 @ 6.99%	583.52 @ 7.00%	72.45 @ 7.03%	139.42 @ 7.03%
O & M expenses	119.88	213.81	63.26	131.60
Interest on working capital	31.33	54.11	7.76	15.68
Total	1031.79	1757.38	258.80	517.35

10. We allow transmission charges tabulated above for the transmission assets, on provisional basis from the date of commercial operation of the respective asset, subject to adjustment after determination of final tariff.

11. The petitioner shall file a fresh petition for approval of final tariff in accordance with the 2004 regulations on the subject, latest by 31.10.2008.

12. While making the application for approval of final tariff, the petitioner shall file a certificate, duly signed by the Auditors, certifying the loan details, duly reconciled with audited accounts of 2007-08.

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SD/-
(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 13th March 2008

SD/-
(BHANU BHUSHAN)
MEMBER