

**BEFORE  
THE CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**File No.:.....  
Petition No:.....**

**IN THE MATTER OF**

Approval under regulation-86 of CERC (Conduct of Business) Regulations'1999, and CERC (Terms and Conditions of Tariff) Regulations'2004 for determination of transmission tariff for Doyang Transmission System in North Eastern Region from 1.4.2004 to 31.3.2009

**Power Grid Corporation of India Ltd.**

**--- Petitioner**

**Registered office:** B-9, Qutab Institutional Area,  
Katwaria Sarai, New Delhi and  
**Corporate office:** "Saudamini", Plot no.2,  
Sector-29, Gurgaon ( Haryana.)- 122 001.

Assam State Electricity Board  
Bijulee Bhawan, Paltan Bazar  
Guwahati - 781 001, Assam.  
Represented by its Chairman  
and Others

**---RESPONDENTS**

To

**The Hon'ble Chairman and  
his Companion Members of the Hon'ble CERC  
The Humble application filed by the Petitioner**

**MOST RESPECTFULLY SHOWETH**

1. The Petitioner herein, Power Grid Corporation of India Ltd. is a Government Company within the meaning of Companies Act,1956 and wholly owned by Govt. of India. The Petitioner is also discharging the statutory functions under various applicable provisions, including in particular section 28 and 38 of the Electricity Act, 2003. In exercise of powers under sub-section (1) of section 38(1) the Electricity Act 2003, the Government of India has declared the Petitioner herein as the Central Transmission Utility.
2. The Petitioner is owning, operating and maintaining the following transmission systems in North Eastern Region:

i)	Additional Transmission Gohpur-Itanagar
ii)	Loktak Transmission System
iii)	Doyang Transmission System
iv)	Agartalla Transmission System
v)	Kathalguri Transmission System
vi)	Kopili Stage-I Transmission System
vii)	132 KV Augmentation Scheme
viii)	Ranganadi Transmission System
ix)	Ranganadi Zero line

3. That the petitioner has commissioned all the transmission system mentioned above and various elements of the above transmission systems are under commercial operation as follows:

Sl. No.	Transmission System	Transmission Element	DOCO
<b>A) ASSETS TRANSFERRED TO THE PETITIONER FROM NEEPCO &amp; NHPC AS ON 1.4.1992</b>			
1	Additional Transmission Gohpur-Itanagar	i) Kopili-Misa ckt-I, Khandong – Kopili, Khandong - Khliehriat-I, Misa-Samaguri CKT-I	01-03-84
		ii) Kopili-Misa ckt-II, Misa-Samaguri CKT-II	01-02-88
		iii) Khandong – Haflong	01-10-87
		iv) Haflong-Jiribam	01-08-87
		v) Jiribam – Aizwal, Aizwal – Zemabawk	01-09-88
		vi) Aizwal-Kumarghat	01-02-89
		vii) Gohpur – Itanagar	01-07-91
2	Loktak Transmission System	i) Loktak - Imphal-II	01-07-83
		ii) Jiribam - Loktak-II	01-07-89
<b>B) ASSETS COMMISSIONED BY THE PETITIONER</b>			
3	Doyang Transmission System	i) Doyang – Dimapur CKT-I & II , Dimapur – Imphal, Imphal – Imphal	01-04-97
		ii) Misa-Dimapur CKT-I & II	01-07-95
4	Agartalla Transmission System	i)Agartala-Agartala CKT-I & II	01-04-98
		ii)R C Nagar –Kumarghat	01.01.2001
5	Kathalguri Transmission System	i) Kathalguri-Mariani	01-08-95
		ii) Misa- Mariani, Misa- Kathalguri	01-04-98
		iii)Misa-Balipara CKT-I&II, Balipara-Bongaigaon CKT-I&II, Balipara-Tezpur	01.02.2000
		iv) Bongaigaon-Malda	01.04.2000

6	Kopili Stage-I Transmission System	Kopili – Misa line	01.02.2000
7	132 KV Augmentation Scheme	i) Khliehriat-Khliehriat (LILO), ii) Khliehriat- Badarpur, iii) Badarpur – Badarpur iv) Badarpur - Jiribam, v) Badarpur – Aizwal, vi) Khandong - Khliehriat-II vii) Badarpur – Kumarghat	01.02.2000
8	Ranganadi Transmission System	i) Ranganadi-Balipara-CKT-I&II ii) Nirjuli-Dikrong	01.01.2003 01.10.2001
9	Ranganadi Zero line	Ranganadi Zero line	01.04.2004

The line diagram of North Eastern Region is attached hereto as **Encl-1 (page 19 to....)**

4. The transmission tariff in the country, except in North Eastern Region (NER), are based on the tariff norms, terms and conditions as notified by the GOI/CERC. However, in NER, the Uniform Common Pool Transmission Tariff (UCPTT) method was inherited from NEEPCO & NHPC at the time of transfer of their transmission assets to PETITIONER. UCPTT is the arrangement for charging transmission tariff for the transmission systems used for evacuation / transmission of power from Central Sector Generating Stations to NER States, which is applied (on paisa per kWh basis) on the total kWh of Central Sector energy drawn by each State and accounted for by NEREB in its Regional Energy Accounts. The UCPTT rate is derived by pooling together the annual transmission charges for all the central sector lines & substations and the state owned lines ( which have been identified as being used for wheeling central sector power).
5. That the asset mentioned at Para-3 in the table at Sl No. A(1), A(2), B(3), B(4)(i), B(5)(i) and B((5)(ii) were commissioned upto to 01.04.1998, for which the transmission tariff were covered under UCPTT. During 42<sup>nd</sup> NEREB meeting held on 13.11.1997, the UCPTT rate was pegged at 35 paisa /kWh by limiting the number of Petitioner lines to be included in the UCPTT. An extract of NEREB letter dated 17.12.1997 is attached hereto as **Encl.-2 (page 20 to 24)**. The admitted capital cost of these assets is Rs. 43439.23 lakhs. The UCPTT rate was derived based on the annual charges of Rs. 10094.18 Lakh (i.e. Rs. 9118.27 Lakh for Petitioner's assets and Rs. 975.91 Lakh for the State owned lines) and normative energy of 2780 MUs, which works out to 36.31 Paise/kWh and the same was restricted to 35 Paisa/kWh. The Petitioner's share in 35 paise/kwh is 31.62 paise/kWh and States' share is 3.38 paise/kWh. An extract of NEREB letter dated 22.10.1998 is a attached hereto as **Encl.-3 (page 25 to 30)**.
6. That the remaining assets mentioned at Para-3 in the Table at Sl. No. B(4)(ii), B(5)(iii), B(5)(iv), B(6), B(7), B (8) and B (9) were not included under UCPTT scheme although the same are wheeling Central Sector power within and across the region. The petitioner had filed Petitions for approval of transmission tariff for block 1997-2002 (i.e. from date of commercial operation of respective assets upto 31.3.2002), as per prevailing GOI

norms for Kathalguri (part) , Kopli Stage-I and 132 kV Augmentation Scheme (Petition No.: 40/2000) and for inter-regional Malda- Bongaigaon line (Petition No. 48/2000).

Hon'ble Commission, vide its order dated 01.01.2002 in Petition No. 40/2000 inter alia directed as follows:

**QUOTE**

**Para-13:**

*"In the light of the foregoing, we direct that the respondents shall be liable to pay the transmission charges @ 35 paise/kwh of the power transmitted in the region. This tariff shall be applicable from 1.2.2000 to a period upto 31.3.2004 or till such time the power generation matching the transmission capacity is available, whichever is earlier. However, we wish to advise the Central Government to finalise an appropriate relief package for the NE region. If the Central Government finalise relief package, then the difference between actual tariff and the tariff of 35 paise/kWh which we have ordered, shall be provided from the relief package to the petitioner. If this does not happen, petitioner would have to bear the difference. We expect that the petitioner, however, would pursue the matter and obtain an early favourable decision from the Central Government. The petitioner may get this petition revived in that eventuality. As a corollary of this direction, the petitioner need not file transmission tariff petitions for any other transmission system in the region since other transmission systems get covered by these directions, which are in the context of the power transmitted and not based on the terms and conditions notified by the Ministry of Power on 16.12.1997.*

**UN-QUOTE**

An extract of Order dated 01.01.2002 is attached hereto as **Encl-4 (page 31 to 33.)**.

Further, Hon'ble Commission vide its order dated 4<sup>th</sup> July, 2002 in petition no. 48/2000, an extract whereof is attached here to as **Encl.-5, page 34 to 38** at, Para -9 of the said order observed as under:

**QUOTE**

*We have already considered this issue in Petition No. 40/2000 (Power Grid Corporation of India Ltd Vs Assam State Electricity Board and others), which related to approval of transmission tariff for the other components of Kathalguri Transmission System, exclusive to North-Eastern region. On consideration of the submissions made on behalf of the parties in Petition No.40/2000, the Commission had noted that there was an excess transmission capacity for which no benefit was accruing to the respondents, the constituents of North-Eastern region, and, therefore, they could not be made liable to pay the transmission charges for the excess capacity. The Commission had, therefore, directed that the constituents of North-Eastern region would continue to pay the transmission charges at the rate of 35 paise per kwh for the power transmitted in the region on the petitioner's transmission system. It was, however, observed that after finalisation of relief package for North-Eastern region under consideration of the*

*Central Government, the difference between actual tariff and tariff of 35 paise per kwh would be provided from the relief package. In view of the directions given in order dated 1.1.2002 in Petition No.40/2000, we do not consider it necessary to pass any fresh order for tariff in the present petition so far as the constituents of North-Eastern region are concerned. The directions contained in the said order dated 1.1.2002 shall ipso facto apply to the present petition as well, so far as the beneficiaries in North- Easter region are concerned.*

**UN-QUOTE**

7. That, Hon'ble Commission have notified CERC (Terms and Conditions of Tariff) Regulations, 2004, in accordance with which tariff based on capital cost of the transmission projects shall be determined. These Regulations have come in to force on 1.4.2004 and shall remain in force for a period of 5 years, unless reviewed earlier or extended by the Hon'ble Commission.

Further, Hon'ble Commission its detailed speaking order dated 16.1.2004 in Petition No.: 67/2003 (Suo-Motu) in respect of formulation of norms for block 2004-2009 has dealt the issue of Transmission Charges for North Eastern Region. Hon'ble Commission at para 8.77 has referred to its earlier order 1.1.2002 in Petition No.: 40/2000 (relevant portion reproduced at Para 6 above) and observed as under at Para 8.78:

**QUOTE**

*8.78. Since the relief package is yet to be announced by the Central Government, we order that the existing dispensation shall be continued in respect of NE Region, till issue of the relief package gets resolved. As and when the issue is sorted out, POWERGRID is granted liberty to approach the Commission for appropriate relief.*

**UN-QUOTE**

Copy of relevant portion of order dated 16.1.2004 is enclosed hereto as **Encl.-6, page 39, to 41.**

8. That in view of Hon'ble Commission Order dated 1.1.2002, the petitioner had not filed any petition for transmission tariff for any other transmission system in North Eastern Region. Further, with regard to Hon'ble commission's directions vide its orders in Petition No. 40/2000 and Petition No. 48/2000 for the relief package by GOI it is submitted that the petitioner has approached Ministry of Power, GOI for compensation of losses in North Eastern Region. So far no relief package is received from GOI.
9. That the Hon'ble Commission vide Order dated 7.4.2006 in Petition No.189/2004 filed by ASEB and Petition No. 2/2005 filed by NEEPCO, has inter-alia directed as follows:

**QUOTE**

*27. Before parting with the order, we would like to point out that in Para 13 of the order dated 1.2.2002 in petition No.40/2000, the Commission had directed for continuation of*

*UCPTT tariff up to 31.3.2004 or till such time the power generation matching the transmission capacity is available, whichever is earlier. In spite of this observation, the first respondent has not filed petitions for determination of tariff for its transmission assets in the NER for the tariff period 2004-09. We would like to have a fresh view on the issues of transmission charges for the assets owned by the first respondent based on the Commission's norms, level of transmission capacity vis-à-vis generation capacity in the NER, need for continuation of UCPTT, etc. We, therefore, direct the first respondent to file petitions covering these aspects within 3 months of issuance of this order.*

### UN QUOTE

10. That in view of Hon'ble Commissions order dated 7.4.2006 in Petition No.: 189/2004 & Petition No.: 2/2005, the petitioner is to file the petitions within 3 months from the order date for block 2004-2009 for all the assets transmission assets in NER.. Considering the time required for preparing different inputs which go into making the petitions, an Interlocutory application dated 03.07.2006 has been filed with Hon'ble commission for granting time extension for filing of petitions for all the assets in North Eastern Region upto 31.08.2006. Hon'ble commission vide letter dated 14.07.2006 has allowed time upto 31.08.2006 for filing the petitions.

11. That in view of Hon'ble Commissions order dated 7.4.2006 in Petition No.: 189/2004 & Petition No.: 2/2005, the petitioner is filing petitions for block 2004-2009 for all the transmission assets in NER. This petition contain tariff proposal in respect of Doyang Transmission System in North Eastern Region (i) 220kV D/c Dimapur-Misa, LILO 220kV D/c Kopili-Samaguri and LILO 132kV D/c Mariani-Dimapur (DOCO-01.07.1995) and (ii) 132kV D/c Doyang-Dimapur T/L and 132kV S/c Dimapur-Imphal T/L with associated bays ( DOCO- 01.04.1997).

The Revised Cost Estimate-I (RCE-I) for Doyang Transmission System in North Eastern Region was accorded by Ministry of Home Affairs, GOI vide letter No.: 2/14/90/NE-II dated 14.5.1993 for an estimated cost of Rs.69.66 Crs., a copy whereof is attached hereto as **Encl.-7, page 4.2 to 4.3**. Subsequently, Revised Cost Estimate-II (RCE-II) was approved by Govt of India vide Ministry of Home Affairs letter No. 2/37/97/NE-II dated 30.6.2000 for estimated cost of Rs 117.78 Crs. including an IDC of Rs 21.94 Crs (based on 4<sup>th</sup> Quarter 1997 price level), a copy whereof is attached hereto as **Encl-8, page 4.4 to 4.5**

The scope of the project covered under the project is as follows:

#### **A. Transmission Line :**

1.	132kV D/c Doyang-Dimapur Trans.Line	93 Km.
2.	132kV S/c Imphal-Dimapur Trans.Line	177 Km.
3.	220kV D/c Trans.Line from Dimapur to Misa	127 Km.
4.	Intercommunication of Dimapur (NEEPCO) and Dimapur(Nagaland) S/s by 132kV S/c Tr.Line	0.242 Km.
5.	LILO of 132kV Loktak-Imphal S/c Tr.Line at Imphal	1.0 Km.
6.	LILO of 220kV D/c Kopili-Samaguri Tr.Line at Misa	4.059 Km.

**B. Sub-Stations:**

132 kV/220kV Dimapur s/s  
132 kV Imphal Switching Station  
220 kV Misa Switching station

12. The billing for the transmission charges of these assets is being done by the petitioner based on the applicable UCPTT from time to time as approved by NEREB. During 42<sup>nd</sup> NEREB meeting held on 13.11.1997, the UCPTT rate was pegged at 35 paisa /kWh by limiting the number of Petitioner lines to be included in the UCPTT (refer NEREB letter dated 17.12.1997 (refer page 2.9 to 2.11)). As per NEREB letter dated 22.10.1998 (refer page 2.5 to 2.9) the admitted cost of 220kV D/c Dimapur-Misa, LILO 220kV D/c Kopili-Samaguri and LILO 132kV D/c Mariani-Dimapur is Rs. 6010.81 Lakhs. Further, there have been regrouping of accounts code in T/L for an amount of (-) Rs.10.95 lakhs, S/Stn component by an amount of Rs. (+) 72.03 Lakhs, Building & Civil Works by (-)72.82 lakhs and in PLCC by (+)11.74 lakhs. However, the total capital expenditure on the asset remains same i.e. Rs.6010.81 Lakhs as on 30.03.2004. Also the admitted capital cost under UCPTT of 132kV D/c Doyang-Dimapur T/L & 132kV S/c Dimapur-Imphal T/L with associated bays as on DOCO is Rs 4976.00 lakhs. Further, after taking into account of the subsequent admissible additional capitalization from DOCO to 31.03.2004 for Rs. (-) 54.09 Lakhs, the total capital expenditure on the asset works out to Rs. 5030.09 Lakhs as on 30.03.2004.

It is submitted that as against total approved Revised Cost Estimate-II of Rs.11,778.00 lakhs, the actual Gross block for tariff works out to Rs.11040.90 lakhs.

A copy of auditor's certificate in respect of the assets covered in this petition is enclosed herewith as **Encl-9 page 4.6. to 4.9.**

13. That the admissibility of additional capital expenditure (Add. Cap.) incurred prior to the cut off date may be dealt in accordance with the provisions of Clause 53 (1) and the expenditure incurred after cutoff date may be dealt as per provisions of Clause 53(2) of CERC (Term and Conditions of Tariff) Regulations, 2004. For ready reference, relevant portion of Clause 53 is reproduced as under:

**QUOTE**

53. *Additional Capitalisation: (1) The following capital expenditure within the original scope of work actually incurred after the date of commercial operation and upto the cut off date may be admitted by the Commission, subject to prudence check:*

- (i) *Deferred liabilities;*
- (ii) *Works deferred for execution;*
- (iii) *Procurement of initial capital spares in the original scope of works subject to the ceiling norm specified in regulation 52;*
- (iv) *Liabilities to meet award of arbitration or compliance of the order or decree of a court; and*
- (v) *On account of change in law*

*Provided that original scope of work alongwith estimates of expenditure shall be submitted along with the application for provisional tariff.*

*Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of the transmission system.*

*(2) Subject to provisions of Clause (3) of this Regulation, the capital expenditure of the following nature actually incurred after the cut-off date may be admitted by the Commission, subject to prudence check:*

- (i) Deferred liabilities relating to works/ services within the original scope of work.*
- (ii) Liabilities to meet award of arbitration or compliance of the order or decree of a court;*
- (iii) On account of change in law; and*
- (iv) Any additional works/ services which have become necessary for efficient and successful operation of the project, but not included in the original project cost."*

**UN-QUOTE**

**14. Capital cost claimed for Transmission Tariff:**

It is submitted that out of total additional and capital expenditure after DOCO, an amount of Rs. (-) 24.98 lakhs has been incurred after cut off date which is in line with clause 53(2) above and Rs. 79.07 lakhs has been incurred within cut off date, which is in line with clause 53(1).

The details of gross block as on DOCO, claimable additions from DOCO to 31.3.2004 and gross block as on 31.03.2004 in respect of two assets covered in the present petition are summarized below:

Project Name	Capital cost as on DOCO	Clamable Additional capitalisation from DOCO to 31.03.2004	Gross Block. as on 1.4.2004
220kV D/c Dimapur-Misa, LILO 220kV D/c Kopili-Samaguri and LILO 132kV D/c Mariani-Dimapur	6010.81	0	6010.81
132kV D/c Doyang-Dimapur T/L and 132kV S/c Dimapur-Imphal T/L	4976.00	54.09	5030.09

**14. TRANSMISSION TARIFF:**

14.1 The tariff for block 2004-2009 has been worked out as per CERC (Terms and Conditions of Tariff) Regulations, 2004, issued vide notification dated. 26.03.2004 and subsequent amendments.



**a) Accumulated depreciation**

It is submitted that petitioner has billed the Respondents based on the UCPTT rate approved by NEREB from time to time. The UCPTT rate was pegged at 35 p/kWh covering the petitioners investment of Rs.434.39 crores ( the cost considered in UCPTT is for the assets under commercial operation up to 1.4.1998). The total capital cost of these assets including additional capitalization up to 31.03.2005 (claimable for tariff ) works out to Rs. 464.62 Crs. The petitioner has made further investments in NER and have commissioned new assets after 1.4.1998, thus making a cumulative investment in NER of Rs. 1572.46 Crs (inclusive of additional capitalization up to 31.03.2005, claimable for tariff ). Hon'ble Commission vide its order dated 1.1.2002 have ordered that the tariff of 35p/kWh of the power transmitted in the Region shall be applicable w.e.f. 1.1.2002 to period of 31.3.2004 or till such time the power generation matching the transmission capacity is available. This dispensation was subsequently reiterated by Hon'ble Commission vide its order dated 16.01.2004 in Petition No.67/2003 till the issue of relief package gets resolved (refer para 7.. above).

The petitioner submits that it is required to operate and maintain the asset, meet the debt servicing and also account for the depreciation of the asset. The recoveries permitted under the UCPTT scheme are first to be set off for the O&M expenses. The balance amount to be adjusted against the interest on loan and thereafter if any remaining recoveries are there, the same can be adjusted against the depreciation.

The petitioner submits that up to FY 1997-98, it could recover expenditure on account O&M , interest on loan, depreciation and ROE (partially). However, after addition of new lines from 1.4.1998 onwards, the petitioner could recover O&M and IOL to full extent and depreciation partially due to pegging of UCPTT rate @ 35 p/kWH and non inclusion of new lines in UCPTT.

Keeping the above approach in mind, the petitioner has tabulated the details of accumulated depreciation upto 31.3.2004 along with the depreciation which could be recovered. The statement is enclosed at **Encl-10 (page 50 to 52)**.

As per the tariff norms applicable for the block 2004-09, the accumulated depreciation needs to be considered for working out the advance against depreciation component. In the tariff calculations, the accumulated depreciation deemed to recovered, has been considered based on the details submitted in the statement presented at **Encl.-10**

**b) O&M expenses**

Hon'ble Commission have notified the unit O&M rates on per ckt. Km. and per bay basis, to be applicable on national basis as per CERC (Terms and Conditions of Tariff), Regulations, 2004. These unit O&M rates have been derived based on the actual normal O&M expenses of the petitioner during the period from 1998-99 to 2002-03 in respect of its transmission systems under operation in NR, SR, WR & ER. It may be mentioned that the actual O&M expenses of the petitioner in respect of its transmission systems in NER were not considered for averaging and working out the National O&M rates. Therefore, these notified O&M rates may not be applicable to NER.

The petitioner has therefore worked out the unit O&M rates for NER based on the methodology/ procedure as considered by the Hon'ble Commission in its order dated 16.1.2004 and 29.3.2004. The actual O&M expenses for the period 1998-99 to 2002-03 for NER have been considered after deducting incentive, ex-gratia, donation, provision, bad debt written off, arrears for pay revision prior to 31.3.2000 and abnormal expenses as disallowed by the Hon'ble Commission for deriving O & M rate for tariff period 2004-09. The detailed calculation alongwith line length bay details for various years is attached hereto as **Encl-11 (page 51. to 79.)** and the unit rates are applicable for NER are presented as under:

**Norms for O&M expenses per ckt.Km and per bay**

Year	2004-05	2005-06	2006-07	2007-08	2008-09
O&M expenses (Rs.in lakh per Ckt.km.)	0.3535	0.3676	0.3823	0.3976	0.4135
O&M expenses (Rs.in lakh per bay)	35.4259	36.8429	38.3166	39.8493	41.4433

The petitioner prays that the above unit rates may be considered for calculation of O&M expenses to be applicable for 2004-09.

**c) Maintenance Spares:**

The maintenance spares is considered as 1% of the Capital cost as on DOCO and escalated @ 6% p.a thereafter.

- 14.2 The relevant information and the calculations for working out the tariff along with supporting documentation are attached hereto as **Encl.-12, page 71 to 113**. The transmission tariff from 1.4.2004 to 31.03.2009 is summarized as below:

Year	2004-05	2005-06	2006-07	2007-08	2008-09
220kV D/c Dimapur-Misa, LILO 220kV D/c Kopili-Samaguri and LILO 132kV D/c Mariani-Dimapur	940.37	937.88	883.51	897.53	912.12
132kV D/c Doyang-Dimapur T/L and 132kV S/c Dimapur-Imphal T/L with associated bays	1390.09	1450.66	1420.82	1383.13	1356.33

- 14.3 The Tariff indicated at Para-14.2 above, is exclusive of Income Tax, Incentive, late payment surcharge, any statutory taxes, levies, duties, cess, filing fees or any other kind of imposition(s) and/ or other surcharges etc. whatsoever imposed / charged by any Government (Central/State) and / or any other local bodies/authorities/regulatory

authorities in relation to transmission charges for transmission of electricity, environmental protection, and/or in respect of any of its installation associated with the Transmission System and the same shall be borne and additionally paid by the respondent(s) to the Petitioner and the same shall be charged billed separately by the petitioner on the respondents. The Petitioner will also be entitled to recover the filing fees as per directions of Hon'ble Commission.

- 14.4 The tariff at para 14.2 above is inclusive of Return on Equity, Interest on Loan, Depreciation, O&M expenses, Interest on Working Capital and Advance Against Depreciation. O&M expenses have been derived based on the norms for O&M expenses per Ckt. Km. and per Bay as per Encl.-11. These unit rates have been arrived on the actual O&M expenses during the year 1998-99, 1999-2000, 2000-2001, 2001-2002 & 2002-2003. The employee cost as included in the actual O&M expenses is based on the wage revision implemented w.e.f. 01.01.1997 and the normal escalation by way of DA. It is submitted that the wage revision of the employees of the petitioner company is due w.e.f. 1.1.2007. The O&M expenses claimed in the transmission charges at 15.2 above are subject to adjustment on account of the additional employee cost which becomes payable after wage revision, which is due w.e.f. 01.01.2007. Alternatively, the increase in the employee cost due to wage revision w.e.f. may be allowed as per actuals, based on the auditor's certificate for such extra employee cost.

14.5 **Sharing of Transmission Charges**

The transmission tariff for block 2004-2009 shall be shared by the constituents of North Eastern Region as per Regulation'2004 issued by the Hon'ble commission. Further, it is submitted that the petitioner has signed Bulk Power Transmission Agreement with all the respondents of the North Eastern Region, a copy whereof is attached hereto as **Encl -13 ( page 14 to 27)**

- 15.0 In the circumstances mentioned above it will be just and proper that the transmission tariff and charges for the assets covered under this petition be allowed to be charged from the Respondents on the basis set out in Para-14 above.
- 16.0 During the hearing of assets covered under petition no. 67/2004 on 21.07.2005, Hon'ble Commission directed for furnishing the following information/details by way of an affidavit.
- i) Whether the health of the asset is in such a state that it can provide satisfactory services (expected services as per the norms) during the tariff block 2004-09.
  - ii) Whether any part of the asset or element thereof has been taken out of services or de-capitalized.
  - iii) Details of swapping of loans, if any.
- 17.0 The petitioner is furnishing the para-wise details in respect of above issues as below:
- i) The petitioner confirms that the asset is in sound health and is expected to provide satisfactory services during the tariff block 2004-09.

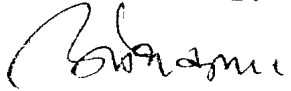
- ii) The petitioner submits that no part of the asset has been taken out of service or de-capitalized.
- iii) The petitioner submits that no swapping of loan has been done in the case of the asset.

**PRAYER**

It is respectfully prayed that the Hon'ble Commission may be pleased to

- a) Permit the billing as per existing methodology on UCPTT basis @ 35 paise/Kwh on provisional basis till such time the transmission tariff for tariff block 2004-09 for assets covered under this petition is approved by the Hon'ble Commission.
- b) Approve the additional capitalization in 220kV D/c Dimapur-Misa, LILO 220kV D/c Kopili-Samaguri & LILO 132kV D/c Mariani-Dimapur through regrouping of accounts code in T/L for an amount of (-) Rs.10.95 lakhs, S/Stn component by an amount of Rs. (+) 72.03 Lakhs, Building & Civil Works by (-)72.82 lakhs and in PLCC by (+)11.74 lakhs and for 132kV D/c Doyang-Dimapur T/L & 132kV S/c Dimapur-Imphal T/L additional capitalization from 1.4.2001 to 31.03.2004 amounting to Rs. (-) 54.09 Lakhs
- c) Approve the transmission tariff for the assets covered under this petition, as per Para – 14 above;
- d) Approve the reimbursement of expenditure by the beneficiaries towards publishing of notices in Newspapers and other expenditure ( if any ) in relation to the filing of petition and petition filing fee.
- e) Pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.

**FILED BY  
POWER GRID CORPORATION OF INDIA LTD.**

  
**Represented By U. K. Tyagi  
Dy. General Manager (Comml.)**

**GURGAON  
DATED:25.8.2006**