

**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, for determination of provisional Transmission Tariff for 3 x 105 MVA 400/220/33 KV ICT-III at Wagoora Sub-Station along with associated bays under Northern Region System Strengthening Scheme –II in Northern Region for tariff block 2004-09 period.

Power Grid Corporation of India Ltd.

---PETITIONER

Registered office: B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi 110 016 and
Corporate office: "Saudamini" ,Plot no.2,
Sector-29, Gurgaon -122 001. (Haryana)

Uttar Pradesh Power Corporation Ltd

14, Shakti Bhawan, Ashok Marg, Lucknow – 226 007

Represented by its Chairman

& others

-- RESPONDENT

To

The Hon'ble Chairman and

his Companion Members of The Hon'ble CERC

The Humble application filed by the Petitioner

MOST RESPECTFULLY SHOWETH

- 1.0 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.
- 2.0 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.
- 3.0 That the petitioner has been entrusted with the implementation of Northern Region System Strengthening Scheme – II. The Board of Directors of POWERGRID have accorded investment approval for establishment of " Northern Region System Strengthening Scheme-II " vide letter of Ref no C/CP/N69-00 dated 25.02.2004, for estimated completion cost of Rs 247.78 Crs, (including IDC of Rs 15.01 Crs), a copy whereof is enclosed as **Encl.-1, page...12...to...17...**

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

Transmission Line :

(i) Agra – Jaipur 400 KV D/C – 220 Km.

Substation :

- i) 40% Fixed Series compensation on Allahabad-Mainpuri 400 KV D/C at Mainpuri end.
- ii) 3rd 400/220 KV, 315 MVA ICT at Wagoora (Three single phase units of 105 MVA each)
- iii) Agra 400 KV (POWERGRID) Sub-Station (Extension)
- iv) Jaipur 400 /220 KV (POWERGRID) Sub-Station (Extension)

3.2 It is submitted that 3 x 105 MVA, 400/220/33 KV ICT-III at Wagoora Sub-Station along with associated bays has been put under commercial operation on 01.06.2007. Copy of letter of commercial operation of this asset is enclosed herewith as **Encl- 2 (page.18.to.19).**

That 400 KV bay has been charged through Transfer Coupler bay as the main 400 KV circuit breaker has not been supplied and erected at site. It is further submitted that 220 KV bay has also been commissioned with available 220 KV circuit breaker as the new 220 KV circuit breaker has not been received at the site. The new 400/220 KV circuit breakers are having special features due to high altitude requirement because of which the related engineering issues could be resolved in only Novmeber'2006 and thus are expected to be delivered at site in October'2007.

3.3 It is further submitted that 400 KV D/C Agra-Jaipur TL along with associated bays under NRSS-II has been put under commercial operation w.e.f 01.01.2007 and provisional tariff for the said asset was allowed by the Hon'ble commission vide order dated 28.06.2007 in petition no 57/2007. The remaining assets covered under Northern Region System Strengthening Scheme-II are under construction stage.

3.3 The Schematic diagram of the transmission asset is attached hereto as **Encl.- 3, (page .20).**

4.0 It is submitted that as per investment approval, the asset covered in the present petition is to be completed within a period of 33 months from the date of letter of award for Tower Package. The letter of award for Tower package is 24.03.2004 and accordingly the scheduled completion works out to January'2007. As against this schedule, the 3 x 105 MVA, 400/220/33 KV ICT-III at Wagoora Sub-Station has been completed and put under commercial operation on 01.06.2007, i.e; with a delay of 5 months. The delay is mainly due to inclement weather and disruption of supply of material due to blockade of Jammu-Srinagar highway during December'2006 to March'2007.

5.0 That this petition covers determination of provisional Transmission Tariff for that 3 x 105 MVA, 400/220/33 KV ICT-III at Wagoora Sub-Station along with associated bays under Northern Region System Strengthening Scheme –II in Northern Region for tariff block 2004-09 period. As against the apportioned approved cost of Rs 1616.23 lakhs (including IDC of Rs 100.18 lakhs) of the asset covered in the petition, the estimated completion cost is Rs. 1745.76 lakhs. (actual expenditure up to DOCO is Rs 1214.73 lakhs, including IDC of Rs 21.90 lakhs and balance expenditure after DOCO of Rs 531.03 lakhs.). A copy of auditor's certificate in respect of the asset covered in this

petition is enclosed herewith as **Encl-4 (page 21. to 22)**. The reason for cost variation have been explained in Form-5B.

It is further submitted that the cost of circuit breakers (1 no 400 KV & 1no 220 KV) which are yet to be delivered at site has been indicated under balance expenditure in the auditors certificate. Further, it is submitted that Revised Cost Estimate of Northern Region System Strengthening Scheme –II is in the process of approval.

6.0 TRANSMISSION TARIFF

6.1 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. In the present petition the transmission tariff has been calculated taking actual expenditure upto DOCO. The relevant information and the calculations for working out the tariff along with supporting documentation (Form No.: 1 to 16) are attached hereto as **Encl.- 5, (page 23 to 52.)**

The annual transmission tariff for the tariff period 2004-09 is summarized as below:

(Rs in Laacs)

Name of the asset	2004-05	2005-06	2006-07	2007-08 (pro-rata)	2008-09
3 x 105 MVA 400/220/33 KV ICT-III at Wagoora Sub-Station with associated bays.	--	--	--	199.64	238.60

6.2 The Tariff indicated at para 6.1 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 CERC.

6.3 Sharing of Transmission Charges

The transmission tariff for block 2004-2009 shall be shared by the constituents of Northern Region as per Notification dated 26.03.2004 issued by the Hon'ble commission. Further, it is submitted that The Supplementary Transmission Agreement signed with beneficiaries' of Northern Region contains NRSS-II and accordingly has become part of main BPTA as per clause 2.0 of main BPTA. A copy of the Supplementary Transmission Agreement with Punjab State Electricity Board is enclosed herewith as **Encl - 6 (page 53 to 57.)**

6.4 The tariff at para 6.1 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 specified under regulation 56(iv). These unit rates have been arrived by the Hon'ble Commission based 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.

1.1.97 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 6.1 above are subject to adjustment on account of the additional employee cost which becomes payable after wage revision, which is due w.e.f. 1.1.2007. 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.

7.0

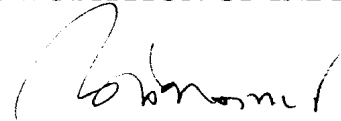
In the circumstances mentioned above it will be just and proper that the transmission tariff and charges for the assets covered under this petition be allowed to be charged from the Respondents on the basis set out in para-6 above. **The petitioner submits that the Encl.-1 to Encl.-7 may please be treated as integral part of this petition.**

PRAYER

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

- a) approve the provisional transmission tariff for the assets covered under this petition, as per para - 6 above.
- b) approve the reimbursement of expenditure by the beneficiaries towards petition filing fee etc,
- c) and 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 (COMMERCIAL)**

GURGAON

DATED: 19.09.2007