

**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 final Transmission Tariff for 400 KV D/C Agra-Bassi TL ( Ckt-III & II) 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.  
**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)

---PETITIONER

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) 3<sup>rd</sup> 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 400 KV D/C Agra-Bassi ( referred as Jaipur in project approval) TL ( Ckt-III & II) along with associated bays has been put under commercial operation on 01.01.2007. Copy of letters of commercial operation of this asset is enclosed herewith as **Encl- 2 ( page.19.to29)**. The Schematic diagram of the transmission asset is attached hereto as **Encl.- 3, ( page 21...)**.

It is submitted that Hon'ble commission vide order dated 28.06.2007 in petition no : 57/2007 allowed tariff for 400 KV D/C Agra-Bassi TL ( Ckt-III & II) along with associated bays under NRSS-II on provisional basis and directed to file the application for final tariff by 31.10.2007, a copy of order dated 28.06.2007 in petition no : 57/2007 is enclosed herewith as **Encl-4 ( page 22 to 26 )**. Hon'ble commission also directed to file a certificate, duly signed by the auditors, certifying the loan details, duly reconciled with audited accounts of 2006-07 at the time of making final tariff application. That the instant petition covers the proposal for determination of final tariff for 400 KV D/C Agra-Bassi TL ( Ckt – III and II) along with associated bays under NRSS-II in Northern region for 2004-09 tariff period.

It is further submitted that 3 x 105 MVA 400/220/33 KV ICT-III at Wagoora Sub-Station along with associated bays under NRSS-II has been put under commercial operation w.e.f 01.06.2007 and petition for approval of provisional tariff has been filed with Hon'ble Commission for the said asset. The remaining assets covered under Northern Region System Strengthening Scheme-II are under construction stage.

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 asset has been completed and put under commercial operation on 01.01.2007, i.e; on schedule.

5.0 That this petition covers determination of final Transmission Tariff for 400 KV D/C Agra-Bassi TL ( Ckt-III & II) 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 19168.64 lakhs ( including IDC of Rs 1161.10 lakhs ) of the asset covered in the petition, the estimated completion cost is Rs. 21848.06 lakhs. (actual expenditure up to DOCO is Rs 20632.01 lakhs, including IDC of Rs 1115.07 lakhs and balance expenditure after 31.03.2007 of Rs 1216.05 lakhs.). A copy of auditor's certificate in respect of the asset covered in this petition is enclosed herewith as **Encl-5 ( page 27. to 28 )**. The reason for cost variation have been

explained in Form-5B and it is mainly on account of variation in estimated and award rates, Price variation and Service Tax . Further, there is a reduction of Rs 16.78 Crs in IEDC as compared to apportioned approved cost. Further, it is submitted that Revised Cost Estimate of Northern Region System Strengthening Scheme –II considering these changes is in the process of approval and shall be submitted in due course to Hon'ble commission. Further, it is submitted that auditor's certificate dated 16.10.2007 certifying the loan details is enclosed herewith as **Encl-6 ( page 29 to 29. )**.

## 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.- 7, ( page 30 to 62..)**

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

( Rs in Lacs )

Name of the asset	2004-05	2005-06	2006-07 (pro-rata)	2007-08	2008-09
400 KV D/C Agra-Bassi TL ( Ckt III & II) along with associated bays	--	--	712.62	2834.99	2801.80

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 - 8 ( page 63 to 66.)**

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.

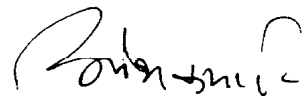
7.0 In the circumstances mentioned above it will be just and proper that the transmission tariff and charges for the assets covered under this petition be allowed to be charged from the Respondents on the basis set out in para-6 above. **The petitioner submits that the Encl.-1 to Encl.-9 may please be treated as integral part of this petition.**

### **PRAYER**

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

- a) approve the final 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, publishing of notices in newspapers and other expenditure ( if any) in relation to the filing of petition.
- 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: 23.10.2007**