

**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 (i) 2 no 400 KV bays at Kanpur Sub-Station associated with Kanpur-Auraiya TL (ii) LILO of 400 KV D/C Bareilly-Mandola TL along with associated bays at Bareilly and Bus Reactor at Bareilly under Northern Region System Strengthening Scheme -I 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 - I. The Board of Directors of POWERGRID have accorded investment approval for establishment of " Northern Region System Strengthening Scheme-I " vide letter of Ref no C/CP/N68-00 dated 25.02.2004, for estimated completion cost of Rs 271.80 Crs, ( including IDC of Rs 14.21 Crs), a copy whereof is enclosed as **Encl.-1, page..1?....to..!7.....**

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

**Transmission Line :**

- (i) Kanpur-Auraiya 400 KV D/C – 67 Km.
- (ii) LILO of Kanpur-Agra 400 KV S/C at Auraiya – 12 Km
- (iii) LILO of Lucknow-Moradabad 400 KV S/C at Bareilly ( POWERGRID ) – 18 Km
- (iv) LILO of Bareilly-Mandaula 400 KV D/C at Bareilly ( POWERGRID ) – 18 Km
- (v) LILO of Sultanpur-Lucknow 400 KV S/C at Lucknow ( POWERGRID ) – 39 Km
- (vi) Bareilly ( POWERGRID ) – Moradabad 400 KV S/C – 90 Km

**Substation**

- i) Bareilly 400 KV ( New Switching Station by POWERGRID )
- ii) Lucknow 400/220 KV ( POWERGRID) Sub-Station ( Extension)
- iii) Auraiya 400 KV Generation Switchyard of NTPC ( Extension)
- iv) Kanpur 400/220 KV ( POWERGRID) Sub-Station ( Extension)
- v) Moradabad 400/220 KV ( UPPCL) Sub-Station ( Extension)
- vi) Mandaula 400/220 KV ( POWERGRID) Sub-Station ( Extension)

3.2 It is submitted that 400 KV D/C Kanpur-Auraiya TL along with bays at Auraiya has been already put under commercial operation on 01.10.2006. That the Petition no 35/2007 was filed with Hon'ble commission for approval of provisional tariff of this asset. Hon'ble commission allowed provisional transmission tariff for the said asset vide order dated 21.05.2007 in petition no 35/2007 and petition for determination of final tariff for the said asset has also been filed on 29.10.2007

3.3 It is submitted that some more assets of Northern Region System Strengthening Scheme – I have been now put under commercial operation as per details given below:

SI	Name of the asset	DOCO
01	2 no 400 KV bays at Kanpur Sub-Station associated with 400 KV Kanpur-Auraiya TL	01.06.2007
02	LILO of 400 KV D/C Bareilly-Mandola TL along with associated bays at Bareilly and Bus Reactor at Bareilly	01.08.2007

Copy of letters of commercial operation of these assets ( SI no 01 to 02 above) is enclosed herewith as Encl-2 ( page.1 to 2..). The present petition covers determination of provisional transmission tariff for above referred two assets. The remaining assets covered under Northern Region System Strengthening Scheme-I are under construction stage.

3.4 It is submitted that as per investment approval, the asset covered in the present petition is to be completed within a period of 27 months from the date of letter of award for Tower Package. The letter of award for Tower package is 25.04.2005 and accordingly the schedule completion works out to July'2007.

- 4.0 The Schematic diagram of the transmission assets is attached hereto as Encl.- 3, ( page 22.....).
- 5.0 **2 no 400 KV bays at Kanpur Sub-Station associated with 400 KV Kanpur-Auraiya TL ( DOCO – 01.06.2007) :**
- 5.1 It is submitted that the 400 KV D/c Kanpur-Auraiya line had been commissioned after configuring of LILO of existing 400 KV Panki-Kanpur –I line at Auraiya, as 400 KV line bays at Kanpur Sub-Station of POWERGRID were not ready at that time ( 01.10.2006). The reasons for preponment of 400 KV D/C Kanpur-Auraiya TL and reasons for commissioning the said line without bays at Kanpur were explained in detail at page 9 & 10 in petition no 35/2007.
- That 2 no 400 KV bays at Kanpur Sub-Station of 400 KV Kanpur-Auraiya line have been now made ready and declared under commercial operation w.e.f 01.06.2007. Thus the Kanpur-Auraiya TL is now under commercial operation with associated bays at Kanpur and Auraiya.
- That for 2 no 400 KV bays at Kanpur Sub-Station associated with 400 KV Kanpur-Auraiya TL, as against the apportioned approved cost of Rs 950.24 lakhs ( including IDC of Rs 50.00 lakhs ), the estimated completion cost is Rs. 1074.46 lakhs. (actual expenditure up to DOCO is Rs 688.21 lakhs, including IDC of Rs 23.70 lakhs and balance expenditure after DOCO of Rs 386.25 lakhs.). A copy of auditor's certificate in respect of the assets covered in this petition are enclosed herewith as Encl-4 ( page 23. to 26 ).
- 6.0 **LILO of 400 KV D/C Bareilly-Mandola TL along with associated bays at Bareilly and Bus Reactor at Bareilly ( DOCO – 01.08.2007) :**
- 6.1 That LILO of 400 KV D/C Bareilly-Mandola TL along with associated bays at Bareilly and Bus Reactor at Bareilly has been put under commercial operation w.e.f 01.08.2007 as against schedule completion of July'2007. That for LILO of 400 KV D/C Bareilly-Mandola TL along with associated bays at Bareilly and Bus Reactor at Bareilly, as against the apportioned approved cost of Rs 5456.14 lakhs ( including IDC of Rs 285.00 lakhs ), the estimated completion cost is Rs. 7256.58 lakhs. (actual expenditure up to DOCO is Rs 5841.94 lakhs, including IDC of Rs 321.66 lakhs and balance expenditure after DOCO of Rs 1414.64 lakhs.). A copy of auditor's certificate in respect of the assets covered in this petition are enclosed herewith as Encl-4 ( page 23 to 26 ). The cost over run is mainly on account of higher award rates as compared to estimated rates and also on account of aviation lights which have been put on 14 locations on LILO of 400 KV D/C Bareilly – Mandola TL to comply aviation requirements, the cost of which was not considered in FR
- 6.2 It is submitted that revised Cost Estimate of the project is under preparation and approval stage.
- 7.0 The details of expenditure incurred upto DOCO and balance expenditure of different assets covered in the petition is summarized below:

( Rs in Lacs )					
	Name of the asset	Apportio ned approved cost	Cost as on DOCO	Balance expendit ure	Total Est completion cost
01	2 no 400 KV bays at Kanpur Sub-Station associated with 400 KV Kanpur-Auraiya TL ( DOCO – 01.06.2007)	950.24	688.21	386.25	1074.46
02	LILO of 400 KV D/C Bareilly-Mandola TL along with associated bays at Bareilly and Bus Reactor at Bareilly ( DOCO – 01.08.2007)	5456.14	5841.94	1414.64	7256.58
	<b>Total</b>	<b>6406.38</b>	<b>6530.15</b>	<b>1800.89</b>	<b>8331.04</b>

## 8.0 TRANSMISSION TARIFF

8.1 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 ~~71~~ to 72..)

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	2007-08	2008-09
2 no 400 KV bays at Kanpur Sub-Station associated with 400 KV Kanpur-Auraiya TL ( DOCO – 01.06.2007)	--	--	--	137.76	165.78
LILO of 400 KV D/C Bareilly-Mandola TL along with associated bays at Bareilly and Bus Reactor at Bareilly ( DOCO – 01.08.2007)	--	--	--	702.77	1049.74

8.2 The Tariff indicated at para 8.1 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.

## 8.3 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-I 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 73.to.75.)

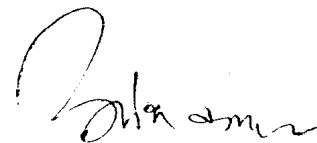
- 8.4 The tariff at para 8.1 above is inclusive of Return on Equity, Interest on Loan, Depreciation, O&M expenses, Interest on Working Capital and Advance Against Depreciation. O&M expenses have been derived based on the norms for O&M expenses per Ckt. Km. and per Bay as specified under regulation 56(iv). 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 8.1 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.
- 9.0 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-8 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: 02.11.2007**