

**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'20 determination of provisional transmission tariff for LILO of 400 KV S/C Korba (STPS)-Raipur at Sipat-I in Western Region (1.05.2006 to 31.3.2009 )

Power Grid Corporation of India Ltd.  
(Govt. of India undertaking)

---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)

Madhya Pradesh State Electricity Board,  
P.O.Box No. 34, Rampur,  
Jabalpur – 482 008.  
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**

- 1.0 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 The petitioner has been entrusted with the implementation of LILO of 400 KV S/C Korba (STPS)-Raipur(MPEB) at Sipat in Western Region as part of transmission system associated with Sipat Stage-I (3\*660 MW) STPS. Investment approval for Sipat-I associated transmission system was accorded by MoP, Govt. of India vide their letter No.12/4/2001-PG dated 10.12.2003 at an estimated cost of Rs.1672.98 crore including IDC of Rs. 123.23 (based on 4<sup>th</sup> Quarter, 2002 price level) consisting of (i) Rs.1454.79 crores (including IDC of Rs. 108.28 crores) for POWERGRID's portion and (ii) Rs. 218.19 crores (including IDC of Rs. 14.95 crores) for IPTC's portion, a copy whereof is attached hereto as **Encl.-1, page...to.....**

The scope of work covered under the scheme is as follows:

**Transmission line**

- i) Sipat – Seoni 765 KV 2xS/C
- ii) Seoni – Khandwa 400 KV D/C (quad)
- iii) Nagda – Dehgam 400kV D/C
- iv) LILO of Sardar Sarovar – Nagda 400kV D/c at Rajgarh
- v) LILO of Bhilai – Satpura 400kV S/c at Seoni
- vi) LILO of Korba– Raipur 400kV S/c at Sipat

**Sub-Station**

- i) Establishment of New substations at Seoni (with 7X500 MVA, 765/400kV and 2X315 MVA, 400/220 kV)
- ii) Establishment of New 400/220 kV substation at Rajgarh (with 2X315 MVA 400/220 kV)
- iii) Extension of 400/220 kv substations at Khandwa (POWERGRID) and Nagda (MPEB)

- 4.0 As per the above investment approval accorded by Govt. of India, the system is scheduled for commissioning by February'2007. However, NTPC during their meeting with POWERGRID held on 18.11.2005 requested POWERGRID to advance commissioning of LILO of Korba-Raipur by January 2006 as it is required for start up power and NTPC have agreed to bear the transmission charges for the period between readiness of the Transmission element by POWERGRID and Commercial operation of the first generating unit of Sipat. NTPC has conveyed their consent to pay the transmission charges till the

commercial operation of the first generating unit of Sipat vide their dated 19<sup>th</sup> April, 2006. This was also discussed in the 42<sup>nd</sup> Commercial Committee Meeting of WR held on 21.04.2006 at Nagpur (Encl-2). The Schematic diagram of the transmission scheme is attached hereto (Encl.- 3), ( page 17-18).

- 5.0 The above Sipat-I transmission system in Western has already been agreed by all the constituents of Western Region during 119<sup>th</sup> WRE Board meeting held on 27.08.2002 at for inclusion in the existing BPTA dated 31.03.1999 of WR, a copy whereof is attached hereto ( Encl.- 04) at Page...17...to...20...
- 6.0 The advancement of commissioning of LILO of Korba- Raipur at Sipat-I as requested by NTPC has already been agreed by all the constituents of Western Region during 1<sup>st</sup> WRPC meeting of WR.(Encl.05) .
- 7.0 Thus the System has been put under Commercial operation on 1.05.2006 ten months in advance to the approved commissioning schedule in of February 2007 (scheduled DOCO 1.3.2007) , a copy of letter enclosed hereto as Encl.-6, page...22...to...23....

As against apportioned approved cost of Rs 399.09 Lakhs, the actual expenditure up to DOCO ( 01.05.2006 ) is Rs 518.04 Lakhs and the balance anticipated expenditure is Rs 150.59 Lakhs, thus making the total estimated apportioned completion cost as Rs 668.63 Lakhs, A copy of auditors certificate is enclosed hereto as Encl-7, page...23...to...24... The reasons for item wise cost variations between approved cost and actual cost are explained in detail in Form-5B. The main factors attributed to the increase in cost are increase in prices of various items, increase in the quantity of angle towers and hardware fittings, changes in IDC and centages. The RCE is under approval of the competent authority.

## 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 (i.e. up to 01.05.2006) of Rs 518.04 Lakhs. 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.- 08, page...25...to...26....
- 8.2 The annual transmission tariff for the tariff period from 01.05.2006 to 31.03.2009 is summarized as below:

( Rs in Laacs )

Period	Annual Transmission Charges
2004-05	NA
2005-06	NA
2006-07( pro rata ) 11 months	62.75
2007-08	67.39
2008-09	66.30

8.3 The Tariff indicated at para 7.2 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 CERC.

8.4 **Sharing of Transmission Charges**

NTPC shall pay the transmission charges from the date of commercial operation of the above asset till the commercial operation of their first generating Unit of Sipat, i.e. when the asset becomes part of the regional system. The transmission tariff for the period starting from the commercial operation of the first generating unit of Sipat shall be borne by the beneficiaries of WR as per terms of CERC regulation 2004 dated 26.3.2004 issued by Hon'ble Commission.

8.5 The tariff at para 8.2 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 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 7.2 above are subject to adjustment on account of the additional employee cost which becomes payable after wage revision, which is due w.e.f. 1.1.2007. Alternatively, the increase in the employee cost due to wage revision w.e.f. 1.1.2007 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.-8** may please be treated as integral part of this petition.

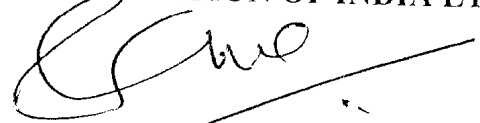
**PRAYER**

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

- a) approve the transmission tariff for the assets covered under this petition, as per para - 8 above.

- b) 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.
- c) 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 PRASHANT SHARMA  
DY.GENERAL MANAGER (COMMERCIAL)**

**GURGAON  
DATED: 12.10.2006**