

BEFORE
THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

FILE NO.

PETITION NO.

In the matter of: Approval under Regulation – 86 for transmission tariff AS PER CERC (Terms & conditions) Regulation 2009 for 400 KV Double Circuit Siliguri-Purnea Transmission line, 400 KV Double Circuit Purnea-Muzaffarpur Transmission line and 220 KV Double Circuit Muzaffarpur (PGCIL) - Muzaffarpur (BSEB) Transmission line, in EASTERN REGION associated with Tala Hydro Electric Project, East – North Interconnector and Northern Region Transmission System for the period from 2009 – 2014.

Powerlinks Transmission Ltd.
Registered Office:
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110 016.
Corporate Office:
4th Floor, Kanchenjunga Building,
18, Barakhamba Road,
New Delhi – 110 001

- Petitioner

PowerGrid Corporation of India Ltd
'Saudamini', Plot No.-2,
Sector- 29, Gurgaon – 122 001
(Haryana)

- Respondent

West Bengal State Electricity Board
Vidyut Bhavan, Bidhan Nagar
Block DJ, Sector –II, Salt Lake,
Kolkata-700 092
Represented by its Chairman

- Proforma Respondents

And Others in Eastern Region



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, Powerlinks Transmission Ltd. is a Public Limited Company within the meaning of the Companies Act, 1956 and also a Joint Venture Company promoted by The Tata Power Company Limited with Power Grid Corporation of India Ltd., a Govt. of India Enterprise and Central Transmission Utility. The Commission, in exercise of the power conferred under Section 14 of the Electricity Act, 2003 granted license to Powerlinks Transmission Ltd., to transmit electricity as a transmission licensee (Encl.-1 page 13 to 16) and for that purpose to construct, maintain and operate the inter-state transmission system associated with Tala HEP, East - North Interconnector and Northern Region Transmission System under the direction, control and supervision of the Central Transmission Utility.
- 2.0 That Respondent No. 1, Power Grid Corporation of India Limited has signed a Transmission Service Agreement (TSA) with the Petitioner in terms of which Powergrid would utilize the facility constructed and maintained by the Petitioner against payment of Transmission Service charges to the Petitioner in terms of the TSA, a copy whereof is attached hereto at Encl-10 Page 80 to 176. The Petitioner has also signed an Implementation Agreement with the Respondent No. 1 in terms of which Powergrid Corporation of India Limited as a condition precedent has signed MOU/ BPTA with the concerned beneficiaries of Eastern and Northern Regions, who would ultimately get the benefit out of Tala Transmission System.

Respondents No. 2 to 7 are such beneficiaries and are arrayed as Proforma Respondents in this petition.
- 3.0 That, Hon'ble Commission has notified CERC (Terms and Conditions of Tariff) Regulations, 2009, in accordance with which tariff based on capital cost of the transmission projects shall be determined. These Regulations have come into force on 01.04.2009 and shall remain in force for a period of 5 years, unless reviewed earlier or extended by the Hon'ble Commission.
- 4.0 That the petitioner has been entrusted with the implementation of part of transmission system associated with Tala HEP, East- North Inter connector and Northern Region Transmission system.
- 5.0 The Petitioner's scope of the Scheme for Transmission System associated with Tala HEP, East-North Interconnector and Northern Region Transmission System is as follows:
 - a. Siliguri - Purnea 400 KV D/C (Quad. Conductor) T/L
 - b. Purnea - Muzaffarpur (New) 400 KV D/C (Quad. Conductor)



- c. Muzaffarpur (New) - Gorakhpur (New) 400 KV D/C (Quad. Conductor) T/L
- d. 220 KV D/C line from Muzaffarpur 400/220 KV new S/S to Muzaffarpur 220 KV S/S (BSEB) T/L
- e. Gorakhpur (New) - Lucknow (New) 400 KV D/C T/L
- f. Bareilly- Mandola 400 KV D/C T/L

Out of the above the Transmission System mentioned at (a), (b) & (d) are covered in this Petition.

6.0 COMMERCIAL OPERATION

- 6.1 That the Petitioner has constructed Transmission System associated with Tala HEP, East - North Interconnector and Northern Region Transmission System. The project consisting of the following lines is under commercial operation as stated below:

S. No.	Name of the transmission line	Date of commercial operation
1.	400 KV Double Circuit Siliguri-Purnea Transmission line.	01.09.2006
2.	400 KV Double Circuit Purnea-Muzaffarpur Transmission line.	01.09.2006
3.	220 KV Double Circuit Muzaffarpur (PGCIL) - Muzaffarpur (BSEB) Transmission line.	01.09.2006

The copy of letter dated 31.08.2006 bearing no. PTL/FIN/06-07/393 for declaring commercial operation is enclosed hereto as Encl. 3 page 18 to 19

Schematic diagram of the project is enclosed as Encl. 2 page 17

7.0 TRANSMISSION TARIFF

- 7.1 The tariff for block 2009 - 2014 has been worked out as per Appendix -I of the CERC (Terms and Conditions of Tariff) Regulations, 2009. The relevant information and the calculations for working out the tariff alongwith supporting documents (Relevant Forms) are attached hereto as Encl.-6 page ...38... to 54



- 7.2 The tariff from 01.04.2009 to 31.03.2014 for Siliguri-Purnea, Purnea-Muzaffarpur, and Muzaffarpur (PGCIL) - Muzaffarpur (BSEB) from 1st April '09 is stated as below:

Period	Transmission Charges (Rs. in Lakhs)
2009 – 10	13,197.61
2010--11	12,807.73
2011--12	12,390.04
2012--13	11,973.72
2013--14	11,558.82
Total	61,927.92

The tariff at Para 7.2 above is inclusive of return on equity, interest on loan, depreciation, O&M expenses, and interest on working capital and Majoration Factor.

7.3 Additional Projected Capital Expenditure for shifting of tower with Pile foundation due to change in the river course:-

Location No. 87/0 of 400 kV D/C Siliguri – Purnea line has been badly affected by the change in the course of River Parman during last three years. At the time of construction in year 2004, the tower was at a safe distance from the river. In year 2006, the distance was reduced due to advancement of river. However, the river continued changing its course in 2007 also. In order to safeguard tower foundation from erosion of the soil, as an immediate measure the protection work was carried out with the help of sandbags and wooden logs. Again, recently the river and associated flood has eroded the bank completely and now the river is only a few meters away from the tower. This location needs to be protected urgently from further erosion of soil caused by change in course of the river.

As a permanent remedial measure, it has been therefore decided to construct a new foundation using RCC Pile.

The change of river course ought to be considered as a Force Majeure event since it is an act of God and the Company has absolutely no control on such events.

Management certificate for additional projected expenditure are enclosed herewith as Encl. 7 page 55

- 7.4 That it is submitted that the ROE has been calculated @ 18.67 % based on the rate notified by the Hon'ble Commission as per illustration under regulation 15(4)(i) of the CERC (Terms & Condition of Tariff) Regulation 2009. It is further submitted that the above rate of 18.67% is based on the present MAT Rate (applicable for the Financial Year 2009-10) 16.995%



currently being applicable to the Petitioner. The Petitioner reserves the right to approach the Hon'ble Commission for truing up of Tariff based on the applicable MAT rate of respective years during the block period of 2009-14 as provided under the Regulation 15(3) of the said Regulations.

7.5 The tariff indicated at Para 7.2 above is exclusive of Incentive, late payment surcharge, any statutory taxes, levies, duties, cess, filing fees or any other kind of imposition(s) and/ or any other local bodies/ authorities/ regulatory authority in relation to 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 separately by the petitioner on Powergrid on account of the respondents.

7.6 The Company has taken loan from IFC and ADB on fixed rate basis. The loan from SBI and IDFC is on floating rate basis, required to be reset every three years. The reset has/ shall take place on the basis of prevailing G-Sec rate plus 250 basis point.

There may be increase or decrease in interest rates depending upon the prevailing G-Sec rate on the reset date. The Petitioner shall be allowed to pass/recover on the benefit /loss to the Respondents in case of any decrease/ increase in the interest rate directly to the Respondents.

7.7 On 18.04.2002, the Techno Economic Clearance (TEC) for project granted to the Petitioner by CEA considering the statutory rate on Return on Equity (ROE) of 16%. Thereafter, when CERC has revised the norm, CERC made ROE from 16% to 14%. We have raised our contention before the Hon'ble Commission that ROE at 14% is not applicable to Powerlinks which was turned down by GERC. As against that we preferred Writ Petition before the Hon'ble High Court, Delhi and the matter is subjudice.

We may be permitted to reserve our right to approach the Hon'ble Commission for revision of the tariff after the disposal of Writ Petition by the Hon'ble High Court, Delhi.

8.0 In the circumstances mentioned above, it will be just and proper that the final transmission tariff and charges for the assets covered under this petition be allowed to be charged from the Respondents on the basis set out at para-7 above. **The Petitioner submits that the encl.-1 to encl-10. 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 under new regulation for the assets covered under this petition, as per para-7 above .
- (b) allow the Petitioner for Additional Capitalization for tower shifting with Pile foundation in Siliguri-Purnea Line under Clause 10 of CERC (Terms & Conditions) Regulations, 2009.
- (c) permit the petitioner for billing and recovery of Transmission Service Charge and publication expenses & other charges from the Respondent No.1 in accordance with Regulation 23 of CERC (Terms & Conditions) Regulation 2009, for the said assets (400 KV Double Circuit Siliguri-Purnea Transmission line, 400 KV Double Circuit Purnea-Muzaffarpur Transmission line and 220 KV Double Circuit Muzaffarpur (PGCIL) - Muzaffarpur (BSEB) Transmission line) Transmission line covered under the Petition.
- (d) allow the Petitioner to pass on the benefit or loss to the respondents in case of any decrease or increase in the interest rate directly by the Petitioner on Powergrid on account of the Respondents.
- (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.

PETITIONER
POWERLINKS TRANSMISSION LIMITED

NEW DELHI
DATED: 17th Nov 2009

REPRESENTED
BY

Ajay Bagri
AJAY BAGRI
CAO & COMPANY
SECRETARY

