

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairperson**
2. **Shri K.N.Sinha, Member**
3. **Shri Bhanu Bhushan, Member**
4. **Shri A.H.Jung, Member**

Petition No. 88/2002

In the matter of

Approval of Incentive based on availability of transmission system for the year 2001-2002 for Western Region.

Petition No. 37/2003

And in the matter of

Approval of Incentive based on availability of transmission system for the year 2002-2003 for Western Region

And in the matter of

Power Grid Corporation of India Limited

.....**Petitioner**

Vs

1. Madhya Pradesh State Electricity Board, Jabalpur
2. Maharashtra State Electricity Board, Mumbai
3. Gujarat Electricity Board, Baroda
4. Chhattisgarh State Electricity Board, Raipur
5. Electricity Deptt., Government of Goa, Panaji
6. Electricity Deptt., Administration of Daman & Diu, Daman
7. Electricity Deptt., Administration of Dadra Nagar Haveli, Silvassa.....**Respondents**

The following were present:

1. Shri U.K. Tyagi, PGCIL
2. Shri C. Kannan, PGCIL
3. Shri P.C. Pankaj, PGCIL
4. Shri M.M. Mondal, CM (Fin), PGCIL
5. Shri Rakesh Prasad, PGCIL
6. Shir A.K. Nagpal, PGCIL
7. Shri Deepak Srivastava, MPSEB

ORDER

(DATE OF HEARING: 6.12.2005)

The petitioner seeks approval for incentive. for the years 2001-2002 and 2002-03 for the transmission system in the Western Region, in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2001 (the regulations).

2. It has been provided in the regulations that in addition to transmission charges, for availability of the transmission system beyond 98% as certified by Member Secretary, REB, the petitioner shall be entitled to incentive at rates specified hereunder:

Availability %	Incentive as a percent of equity	Cumulative incentive as a percent of equity
98% and below	0.00	0.00
98.01% to 98.50%	1.00	1.00
98.51% to 99.00%	1.00	2.00
99.01 to 99.50%	1.00	3.00
99.51% to 99.75%	1.00	4.00

3. As per the affidavits filed, the petitioner has claimed incentive as under from the respondents.

Assets	year	(Rs. in lakh)		
		Equity (Rs. in lakh)	Availability	Incentive (Rs. in lakh)
(i) Western Region transmission assets	2001-02	42395.67	99.63%	1695.83
(ii) Inter-regional assets(excluding 220 kV Korba Budhipadar transmission line)		7773.70	99.63%	310.95
(iii) 220 kV Korba Budhipadar transmission line		442.85	99.33%	17.71
(i) Western Region transmission assets	2000-03	43587.71	99.35%	1743.51
(ii) Inter-regional assets(excluding 220 kV Korba Budhipadar transmission line)		8010.99	99.53%	320.44
(iii) 220 kV Korba Budhipadar transmission line		443.62	98.77%	8.87

4. Member Secretary , WREB in his letter dated 21.7.2003 has certified the availability of the transmission system in the region and the inter-regional asset during 2001-02 for the transmission system, excluding 220 kV Korba-Budhipadar line at 99.63% by giving weightage of 50% to the availability of inter-regional assets in accordance with the regulations and for 220 kV Korba-Budhipadar line at 99.33%.

Member-Secretary, WREB in his certificate dated 11.4.2003 has certified the availability of the transmission system in the region during 2002-03 excluding 220 kV Korba-Budhipadar line at 99.53% by giving weightage of 50% to the availability of inter-regional assets in accordance with the regulations and for 220 kV Korba-Budhipadar line at 98.77%. The incentive has been worked out accordingly, considering the availability as certified by the Member-Secretary, WREB. Based on the above, the petitioner shall be entitled as under:

Assets	Year	Qualifying % availability	Equity (Rs. in lakh)	Incentive Amount (Rs. in lakh)
Western Region transmission assets (excluding 220 kV Korba-Budhipadar transmission line)	2001-02	99.63	50169.30	2006.78
	2002-03	99.53	53082.83	2043.11
220 kV Korba-Budhipadar transmission line (2/3 rd equity for WR)	2001-02	99.33	442.86	13.29
	2002-03	98.77	442.86	8.86

5. The difference in the amount claimed and amount allowed during 2002-03 is due to the fact the petitioner has considered equity on account of FERV and ACE during 2001-02 and 50% equity of FERV during 2002-03 for incentive calculations in addition to equity as on 1.4.2001 while in the incentive allowed, equity as considered by the Commission for different assets for previous tariff period has been considered.

6. The details of calculations in support of the incentive allowed by us are given in the table annexed.

7. The Commission in its order dated 26.7.2002 and 7.8.2003, provisionally allowed incentive of 80% of that claimed by the petitioner in these petitions. The provisional incentive charged by the petitioner shall be adjusted against final incentive for the years 2001-02 and 2002-03 approved by us in this order.

8. The incentive in respect of Western Region transmission assets (including 220 kV Korba Budhipadar line) shall be borne by the respondent's, the beneficiaries in the Western Region, in proportion of the transmission charges shared by them.

9. The first respondent in its reply has sought a direction to the petitioner to serve the calculation of availability of transmission system to the respondents before these are acted upon by the Member Secretary. We have considered the suggestion. The availability of the transmission system is to be certified by the Member Secretary, an independent authority. Therefore, normally there should not be any doubt about the correctness of the availability certificate issued by him. Nevertheless, in the interest of transparency, we direct that henceforth, the petitioner will furnish the details of the availability computations in advance to the State beneficiaries, who may submit their comments to the Member Secretary, within a period of one month after receipt of the details from the petitioner. The Member Secretary shall issue the availability certificate after taking into account the comments, if any, received from the State beneficiaries. This procedure shall uniformly apply to all regions. Therefore, a copy of this order may be sent to the Member Secretaries in all the regions and also the State beneficiaries.

10. This order disposes of Petitions No. 88/2002 and 37/2003.

Sd/-
(A.H.JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N.SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRPERSON

New Delhi dated the 28th December 2005

Name of the Company: PGCIL									
Name of the Region: Western									
Petition No.:37/2003- Incentive for the years 2002-03									
					2001-02		2002-03		
Availability of the Transmission System Elements of PGCIL in WR excluding 220 kV Korba-Budhipadar line in Western Region as per input of Engg. Division dated 13.12.2005					99.63%		99.53%		
Availability eligible for incentive as per input of Engg. Division dated 13.12.2005 (A)					4.00% (A)		4.00% (B)		
					Rs. In lakh		Rs. in lakh		
Name of the Transmission System/ Line (1)		Petition No. for the period 2001-04 with CERC Order (2)	D.O.C.O. (3)	Equity as per CERC order (4)	Period during the year (5)	Incentive amount (6)=(4)*(5)*(A)	Equity as per CERC order (7)	Period during the year (Year) (8)	Incentive amount (9)=(7)*(8)*(B)
(A) REGIONAL PROJECTS									
1	KORBA	27/2002 CERC Order dated 18.07.2003	Before 31.03.2001	7648.51	1.00	305.94	7648.51	1.00	305.94
2	VINDHYACHAL STAGE-I TR.SYSTEM	47/2002 CERC Order dated 18.07.2003	-do-	9491.19	1.00	379.65	9491.19	1.00	379.65
3	KAWAS	28/2002 CERC Order dated 04.08.2003	-do-	1248.32	1.00	49.93	1248.32	1.00	49.93
4	KAKARPAR	46/2002 CERC Order dated 16.07.2003	-do-	2046.00	1.00	81.84	2046.00	1.00	81.84
5.1	GANDHAR-DEHGAM& GHANDHAR-BHARUCH	74/2002 CERC Order dated 30.04.2004	-do-	5503.32	1.00	220.13	5503.32	1.00	220.13
5.2	GANDHAR-PADHE I/C PADGHE S/S		-do-	4594.51	1.00	183.78	4594.51	1.00	183.78
5.3	GANDHAR-GANDHAR		-do-	227.97	1.00	9.12	227.97	1.00	9.12
6	VINDHAYACHAL ADDITIONS-STAGE-I TR. SYSTEM	66/2002 CERC Order dated 17.07.2003	-do-	6021.70	1.00	240.87	6021.70	1.00	240.87
7	REACTOR AT CHANDRAPUR	48/2002 CERC Order dated 31.07.2003	-do-	233.55	1.00	9.34	233.55	1.00	9.34
8.1	400 kV D/C VINDHAYACHAL-SATNA & SATNA-BINA LINE	72/2002 CERC Order dated 06.08.2003	-do-	4243.66	1.00	169.75	4243.66	1.00	169.75
8.2	400 kV S/C KORBA-RAIPUR T/L,315 MVA ICT-I ,BUS REACTOR AT RAIPUR & LILO OF KORBA-BHILAI CKT.-III.		-do-	1000.50	1.00	40.02	1000.50	1.00	40.02
8.3	315 MVA ICT II WITH LILO OF 400 KV D/C BHILAI CHANDRAPUR LINE CKT-II		-do-	136.44	1.00	5.46	136.44	1.00	5.46
	400 kV D/C Kolhapur-Mapusa (Circuit-I),ICT-I with associated bays		01.01.2003	-	-	-	754.36	0.25	7.54
	400 kV D/C Kolhapur-Mapusa (Circuit-II) ,ICT-II,Bus Reactor II and associated bays		01.12.2002	-	-	-	2159.11	0.33	28.79
SUB TOTAL				42395.67		1695.83	45309.14		1732.16
(B) INTER REGIONAL PROJECTS									
1	400 KV D/C Singrauli-Vindhyachal Transmission Line along with (2x250 MW) HVDC back to back station at Vindhyachal in Northern and western Region (50%)	15/2002 CERC Order dated 17.07.2003	-do-	2773.09	1.00	110.92	2773.09	1.00	110.92
2	RAMGUNDAM CHANDRAPUR (50%)	9/2002 CERC Order dated 30.06.2003	-do-	971.54	1.00	38.86	971.54	1.00	38.86
3	CHANDRAPUR HVDC (50%)	69/2002 CERC Order dated 19.07.2004	-do-	4029.06	1.00	161.16	4029.06	1.00	161.16
SUB TOTAL				7773.69		310.95	7773.69		310.95
(C) For 220 kV Korba-Budhipadar Line									
Availability of the 220 kV Korba-Budhipadar line in Western Region					99.33%		98.77%		
Availability eligible for incentive					3.00% (C)		2.00% (D)		
					Incentive amount (9)=(4)* (5)*(C)		Incentive amount (9)=(7)* (8)*(D)		
1	220 kV Korba-Budhipadar line in Western Region (2/3 rd equity for WR)	49/2002 CERC Order dated 18.07.2003	Before 31.03.2001	442.86	1.00	13.29	442.86	1.00	8.86