

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairperson**
2. **Shri Bhanu Bhushan, Member**

Petition No.60/2004

In the matter of

Approval of incentive based on availability of transmission system for the year 2003-04 for Southern Region.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon

..Petitioner

Vs

1. Karnataka Power Transmission Corporation Ltd., Bangalore
2. Transmission Corporation of Andhra Pradesh Ltd., Hyderabad
3. Kerala State Electricity Board, Thiruvananthapuram
4. Tamil Nadu Electricity Board, Chennai
5. Electricity Department, Govt. of Pondicherry, Pondicherry
6. Electricity Department, Govt. of Goa, Panaji

Respondents

The following were present:

1. Shri P.C.Pankaj, PGCIL
2. Shri U.K.Tyagi, PGCIL
3. Shri C.Kannan PGCIL
4. Shri J. Mazumdar, PGCIL
5. Shri R.Prasad, PGCIL
6. Shri M.M. Mondal, CM (Fin), PGCIL

**ORDER
(DATE OF HEARING: 11.1.2007)**

The petitioner seeks approval for incentive for the year 2003-04 for the transmission system in Southern Region, in terms of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2001 (hereinafter referred to as "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. The petitioner has claimed incentive as under from the respondents.

| Assets | year | Average Equity (Rs. in lakh) | Availability | Incentive (Rs. in lakh) |
|---|---------|------------------------------|--------------|-------------------------|
| (i) Southern Region transmission assets and Inter-regional assets | 2003-04 | 116776.86 | 98.75% | 2335.54 |
| (ii) Bilateral assets —Kayamkulam transmission system (KSEB only) | | 2814.84 | 99.82% | 112.59 |

4. Member-Secretary, SPRC (earlier SREB) in his letter dated 20.12. 2006 has certified the availability at 98.75% of the transmission system in the Southern Region and the inter-regional assets during 2003-04, by giving weightage of 50% to the availability of inter-regional assets in accordance with the regulations. The availability of the bilateral assets (Kayamkulam transmission system) for the year 2003-04 (payable by KSEB) was 99.82%. Incentive has been worked out considering the availability as certified by the Member-Secretary, SRPC. Based on the above, the petitioner shall be entitled as under:

| Assets | year | Qualifying % availability | Equity (Rs. in lakh) | Incentive Amount (Rs. in lakh) |
|--|---------|---------------------------|----------------------|--------------------------------|
| (i) Southern Region transmission assets | 2003-04 | 2% | 108789.34 | 2139.48 |
| (ii) Inter-regional assets | | 2% | 9802.64 | 196.05 |
| (iii) Bilateral assets —Kayamkulam transmission system (KSEB only) | | 4% | 2814.85 | 112.59 |

5. The details of calculations in support of the incentive allowed by us are given in the Annexure attached.
6. The Commission in its order dated 9.7.2004, had provisionally allowed incentive of 80% of that claimed by the petitioner in the petition. The provisional incentive charged by the petitioner shall be adjusted against final incentive for the year 2003-04 approved by us in this order.
7. Sharing of incentive:
- (i) The incentive in respect of Southern Region transmission assets and the inter-regional assets (excluding bilateral assets) shall be shared by the respondents, the beneficiaries in the Southern Region, in proportion of the transmission charges shared by them for the region.
- (ii) The incentive in respect of bilateral assets-Kayamkulam transmission system shall be borne by KESB only.
8. This order disposes of Petition No. 60/2004.

Sd-/
(BHANU BHUSHAN)
MEMBER

New Delhi dated the 2nd February 2007

sd-/
(ASHOK BASU)
CHAIRPERSON

ANNEXURE

| Name of the Company: PGCIL | | | | | | |
|--|--|---|---------------------|-------------------------------|--|---|
| Name of the Region: Southern | | | | | | |
| Petition No.:60/2004-Incentive for the year 2003-04 | | | | | | |
| Basic Availability for Incentive calculation | | | | | 98.00% | |
| Availability of the Transmission System Elements of PGCIL of Southern Region | | | | | 98.75% | |
| Availability eligible for incentive (A) | | | | | 2.00% | |
| | | | Rs. In Lakh | | | |
| | Name of the Transmission System/ Line (1) | Petition No. for the period 2001-04 & date of Tariff Order (2) | D.O.C.O. (3) | Equity as per order(4) | Period during the year (Year) (5) | Incentive amount (6)= (4)*(5) *(A) |
| | (A) SOUTHERN REGION ASSETS | | | | | |
| 1 | RAMAGUNDUM I&II (INCL.ICT AT KHAMMAM & REACTOR AT GAZUWAKA) | 26/2002 Order dt.23.10.2003 | Before 31.3.2001 | 12975.57 | 1.00 | 259.51 |
| 2 | CTP I | 7/2002 Order dt.30.6.2003 | -do- | 10468.43 | 1.00 | 209.37 |
| 3 | AUTO T/F AT HYDERABAD S/S | 53/2002 Order dt.20.2.2004 | -do- | 389.75 | 1.00 | 7.80 |
| 4 | CUDDAPAH REACTOR | -do- | -do- | 380.66 | 1.00 | 7.61 |
| 5 | SPECIAL ENERGY METERS | 42/2002 Order dt.12.6.2003 | -do- | 263.03 | 1.00 | 5.26 |
| 6 | RAMGUNDUM-HYDERABAD | 69/2002 Order dt.19.7.2004 | -do- | 1157.74 | 1.00 | 23.15 |
| 7 | ICT AT NAGARJUNASAGAR | 41/2002 Order dt.25.6.2003 | -do- | 366.98 | 1.00 | 7.34 |
| 8 | NLC I | 45/2002 Order dt.30.6.2003 & 8.6.2004 | -do- | 2405.58 | 1.00 | 48.11 |
| 9 | NLC II | 16/2002 Order dt.25.6.2003 | -do- | 16575.50 | 1.00 | 331.51 |
| 10 | KAIGA -SIRSI | 40/2002 Order dt.30.6.2003 | -do- | 2498.90 | 1.00 | 49.98 |
| 11 | NEYVELI- BAHOOR | 50/2000 Order dt.19.11.2004 | 1.7.2001 | 462.53 | 1.00 | 9.25 |
| 12 | LILO of One Ckt. of NEYVELI- TRICHY | 57/2002 Order dt.21.2.2005 | 1.2.2002 | 101.27 | 1.00 | 2.03 |
| 13 | Talcher -Kolar HVDC Line(Pole I) | 122/2002 Order dt.10.5.2005 | 1.12.2002 | 34166.23 | 1.00 | 683.32 |
| 14 | LILO of 400 KV Cuddapah-Bangalore transmission line at Kolar & 400 KV KOLAR- Madras Line | -do- | 1.12.2002 | 2039.96 | 1.00 | 40.80 |
| 15 | 400 KV HOSUR-SALEM transmission line ,Auto Transformer-I at Hossur | -do- | 1.12.2002 | 906.47 | 1.00 | 18.13 |
| 16 | 315 MVA AUTO TRANSFORMER-II AT HOSSUR | -do- | 1.2.2003 | 142.58 | 1.00 | 2.85 |
| 17 | 500 MVA Auto transformer & 400 KV D/C Kolar-Hoody transmission line | -do- | 1.2.2003 | 1064.77 | 1.00 | 21.30 |
| 18 | HVDC Terminal station at Talcher & Kolar related to Pole II | 132/2002 Order dt..3.8.2005 | 1.3.2003 | 13433.07 | 1.00 | 268.66 |
| 19 | VIJAYAWADA-NELLORE SRIPERUMBUR | 123/2002 Order dt.16.3.2005 | 1.3.2003 | 4374.13 | 1.00 | 87.48 |

| | | | | | | |
|--|--|-----------------------------|------------------|------------------|-------------|---|
| 20 | 400 KV D/C Kolar-Hosur Transmission Line | 132/2002 Order dt..3.8.2005 | 1.4.2003 | 1299.92 | 1.00 | 26.00 |
| 21 | 400 KV S/C Salem-Udumalpet Transmission Line | -do- | 1.6.2003 | 1494.62 | 0.83 | 24.91 |
| 22 | Additional Bays at Kolar and Hosur | 182/2004 Order dt..5.7.2005 | 1.9.2003 | 38.79 | 0.58 | 0.45 |
| 23 | Hiryur S/S including 315 MVA Auto Transformer and LILO of Davangere-Hoody | -do- | 1.2.2004 | 1013.15 | 0.17 | 3.38 |
| 24 | Khammam-Nagarjunasagar | 188/2004 Order dt.18.8.2005 | 1.3.2004 | 769.72 | 0.08 | 1.28 |
| Sub Total (A) | | | | 108789.34 | | 2139.48 |
| (B) INTER REGIONAL ASSETS | | | | | | |
| 25 | 400 KV RAMAGUNDUM-CHANDRAPUR Transmission System (50%) | 9/2002 Order dt.30.6.2003 | Before 31.3.2001 | 971.54 | 1.00 | 19.43 |
| 26 | HVDC Back to Back at Chandrapur (50%) Pole-I & II | 69/2002 Order dt.19.0.2004 | -do- | 4029.07 | 1.00 | 80.58 |
| 27 | 400 KV JEYPORE-GAZUWAKA Transmission Line & HVDC Back to Back station at GAZUWAKA (Pole-I) (50%) | 51/2002 Order dt.18.0.2003 | -do- | 4802.04 | 1.00 | 96.04 |
| Sub Total (B) | | | | 9802.64 | | 196.05 |
| Total (A)+(B) | | | | 118591.98 | | 2335.54 |
| (C) BI LATERAL SYSTEM (KSEB only) | | | | | | |
| KAYAMKULAM TRANSMISSION SYSTEM | | | | | | |
| Basic Availability for Incentive calculation | | | | | | 98.00% |
| Availability of the Kayamkulam Transmission System of PGCIL of Southern Region | | | | | | 99.82% |
| Availability eligible for incentive (B) | | | | | | 4.0% |
| | | | | | | Incentive amount (6)= (4)*(5) *(B) |
| 28 | KAYAMKULAM-PALLOM | 52/2002 Order dt.30.0.2003 | Before 31.3.2001 | 1203.49 | 1.00 | 48.14 |
| 29 | KAYAMKULAM-EDMON | -do- | -do- | 1611.36 | 1.00 | 64.45 |
| Sub Total (c) | | | | 2814.85 | | 112.59 |