

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R.Krishnamoorthy, Member**

Petition No.152/2005

In the matter of

Approval of incentive based on availability of transmission system for the year 2004-05 for Western Region.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon

..Petitioner

Vs

1. Madhya Pradesh State Electricity Board, Patna
2. Maharashtra State Electricity Distribution Co. Ltd., Mumbai
3. Gujarat Urja Vikas Nigam Ltd., Baroda
4. Electricity Department, Government of Goa, Panaji
5. Electricity Department, Administration of Daman & Diu, Daman
6. Electricity Department, Administration of Dadra Nagar Haveli, Silvassa
7. Chhattisgarh State Electricity Board, Raipur
8. Madhya Pradesh Audyogik Kandra, Indore

....Respondents

The following were present:

1. Shri U.K.Tyagi, PGCIL
2. Shri Rakesh Prasad, PGCIL
3. Shri C.Kannan PGCIL
4. Shri Pramod Chowdhary, MPPTCL

**ORDER
(DATE OF HEARING: 26.8.2008)**

The petitioner seeks approval for incentive for the year 2004-05 for its transmission system in Western Region, in terms of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2004 (hereinafter referred to as "the regulations").

2. Regulation 51 of the 2004 regulations 2004 provides that:

51. Target Availability for recovery of full transmission charges:

- | | |
|---|-----|
| (1) AC System: | 98% |
| (2) HVDC bio-pole links and HVDC back-to-back stations: | 95% |

3. Regulation 60 of the 2004 regulations, as amended, *inter alia*, provides that,-

(1) The transmission licensee shall be entitled to incentive @ 1% of equity for each percentage point of increase in annual availability beyond the target availability prescribed under regulation 51, in accordance with the following formula:

$$\text{Incentive} = \text{Equity} \times [\text{Annual availability achieved} - \text{Target availability}] / 100$$

(2) Incentive shall be shared by the long-term customers in the ratio of their average allotted transmission capacity for the year.

4. Member-Secretary, WRPC under his letter dated 29.7.2008 has certified the availability of intra-regional systems of Western Region and inter-regional links connecting WR to other regions except links with Northern Region and Southern Region. The availability of the Ramagudam-Bhadrawati AC links and Vindhyachal HVDC back-to-back has been certified by Member-Secretary, SRPC and NRPC respectively during 2004-05. The necessary details of certified availability are as under:

S.No.	Assets	Availability
1	Intra-regional AC transmission system	99.82%
2.	Inter-regional HVDC systems (AC) Ramgundam-Bhadrawati I & II (SR-WR) Raipur-RourKela (WR-ER)	99.90% 99.56%
3.	Inter-regional HVDC systems Bhadrawati back-to-back I & II (SR-WR) Vindhyachal HVDC back-to-back (WR-NR)	93.46% 98.5995%
4.	Inter-regional AC System Korba-Budhipadar transmission line	99.62%

5. The petitioner has claimed incentive as under, which did not taken into account the revision of equity based on the judgment of the Appellate Tribunal for Electricity:

(Rs. in lakh)			
S.No.	Assets	Pro rata equity	Incentive
1	Intra-regional AC transmission system	47560.98	865.61
2.	Inter-regional HVDC systems (AC)		
	Ramgundam-Bhadravati I & II (SR-WR)	981.50	18.65
	Raipur-Rourkela (WR-ER)	1445.77	22.55
3.	Inter-regional HVDC system		
	Bhadravati back-to-back I & II (SR-WR)	4485.65	-
	Vindhyachal HVDC back-to-back (WR-NR)	2805.02	100.98
4.	Inter-regional AC System		
	Korba-Budhipadar transmission line	441.56	7.15
	Total		1014.94

6. M. P. Power Trading Company Ltd. (MPPTCL) has filed its reply although MPPTCL has not been impleaded as a party respondent. MPPTCL has stated that incentive may be allowed on revision of equity, based on the judgment of the Appellate Tribunal.

7. In respect of the transmission assets whose equity has been revised as a result of judgment of the Appellate Tribunal, the revised equity has been considered.

8. Incentive has been worked out considering the availability as certified by the Member-Secretary, WRPC, Member-Secretary SRPC and Member-Secretary, NRPC and claimed by the petitioner. Based on the above, the petitioner shall be entitled to incentive as under:

(Rs. in lakh)

S. No.	Assets	Actual % availability	Equity (Rs. in lakh)	Incentive Amount (Rs. in lakh)
1	Intra-regional AC transmission system	98.00	60078.57	1007.07
2.	Inter-regional HVDC systems (AC) Ramgundam-Bhadrawati I & II (SR-WR) Raipur-Rourkela (WR-ER)	99.90 99.56	1211.75 1538.92	23.02 24.01
3.	Inter-regional HVDC system Bhadrawati back-to-back I & II (SR-WR) Vindhyachal HVDC back-to-back (WR-NR)	93.46 98.5995	3958.56 4156.43	0.00 149.61
4.	Inter-regional AC System Korba-Budhipadar transmission line	99.62	441.29	7.15
	Total			1210.86

9. The details of calculations in support of the incentive allowed by us are given in the Annexure attached.

10. There are differences between the incentive amount claimed by the petitioner and allowed by us. It is noted that equity of the transmission assets has been considered based on the final tariff orders. The differences are on account of the fact in case of the assets where equity has been revised consequent to Appellate Tribunal's judgments pertaining to segregation of FERV amount into loan and restoration of equity, the revised equity has been considered while working out the incentive payable.

11. The Commission in its order dated 6.7.2006, had provisionally allowed incentive of 80% of that claimed by the petitioner in this petition. The provisional incentive charged by the petitioner shall be adjusted against final incentive for the year 2004-05 approved by us in this order.

12. The incentive approved shall be shared by the respondents, the beneficiaries in the Western Region, in proportion of the transmission charges for the year 2004-05 paid by them in the region.

13. This order disposes of Petition No.152/2005.

Sd/-
(R. KRISHNAMOORTHY)
MEMBER
New Delhi dated the 10th December 2008

sd/-
(BHANU BHUSHAN)
MEMBER

ANNEXURE

Western Region Transmission System

(Rs. in lakh)

Name of the Company: PGCIL								
Name of the Region: Western								
Petition No.:152/2005- Incentive for the years 2004-05								
								Rs. In Lakh
	Name of the Transmission System/ Line (1)	Petition No. for the period 2004-05 (2)	D.O.C.O. (3)	Equity as per CERC order (4)	Period during the year (Year) (5)	Availability of the Transmission System Elements as system6)	Availability eligible for incentive (7)	Incentive amount (8) = (4)*(5)*(7)
(A)	Intra Regional Transmission System							
	Target availability for incentive							
								98.00%
1	KORBA	117/2004	Before 31.3.2001	11538.51	1.00	99.82%	1.82%	210.00
2	VINDHYACHAL STAGE-I TR.SYSTEM	111/2004	-do-	13494.13	1.00	99.82%	1.82%	245.59
3	KAWAS	114/2004	-do-	1569.86	1.00	99.82%	1.82%	28.57
4	KAKARPAR	115/2004	-do-	2485.50	1.00	99.82%	1.82%	45.24
5.1	GANDHAR-DEHGAM& GHANDHAR-BHARUCH	112/2004	-do-	5872.33	1.00	99.82%	1.82%	106.88
5.2	GANDHAR-PADHE I/C PADGHE S/S		-do-	4594.51	1.00	99.82%	1.82%	83.62
5.3	GANDHAR-GANDHAR		-do-	227.97	1.00	99.82%	1.82%	4.15
6	VINDHAYACHAL ADDITIONS-STAGE-I TR. SYSTEM	72/2004	-do-	5327.50	1.00	99.82%	1.82%	96.96
7	REACTOR AT CHANDRAPUR	116/2004	-do-	207.92	1.00	99.82%	1.82%	3.78
8.1	400 kV D/C VINDHAYACHAL-SATNA & SATNA-BINA LINE	73/2004	-do-	4013.69	1.00	99.82%	1.82%	73.05
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-	961.06	1.00	99.82%	1.82%	17.49
8.3	315 MVA ICT II WITH LILO OF 400 KV D/C BHILAI CHANDRAPUR LINE CKT--II		-do-	131.62	1.00	99.82%	1.82%	2.40
9.1	400 kV D/C Kolhapur-Mapusa (Circuit-I),ICT-I with associated bays	61/2005	1.1.2003	1025.35	1.00	99.82%	1.82%	18.66
9.2	400 kV D/C Kolhapur-Mapusa (Circuit-II) ,ICT-II,Bus Reactor II and associated bays		1.12.2002	2159.11	1.00	99.82%	1.82%	39.30
10	FSC & TCSC for Raipur -Rourkela Line	11/2005	1.11.2004	3042.19	0.42	99.82%	1.82%	23.07
11	Khandwa S/S & LILO of Itarsi-dhule at Khandwa	149/2005	1.2.2005	2056.62	0.17	99.82%	1.82%	6.24
13	Tarapur-Padghe	135/2006	1.3.2005	1370.72	0.08	99.82%	1.82%	2.08
	SUB TOTAL (A)			60078.57				1007.07
(B)	INTER REGIONAL Transmission Elements							
1	RAMGUNDAM CHANDRAPUR (50%)	138/2004	Before 31.3.2001	1211.75	1.00	99.90%	1.90%	23.02
2	RAIPUR- ROURKELA (50%)	63/2005	1.4.2003	1538.92	1.00	99.56%	1.56%	24.01
	SUB TOTAL (B)			2750.67				47.03
(C)	INTER REGIONAL HVDC System							
	Target availability for incentive							
								95.00%
1	400 KV D/C Singrauli-Vindhyachal Transmission Line alongwith (2x250 MW) HVDC back to back station at Vindhyachal in Northern and western Region (50%)	113/2004	Before 31.3.2001	4156.43	1.00	98.5995%	3.60%	149.61
2	CHANDRAPUR HVDC (50%)	137/2004	-do-	3958.56	1.00	93.46%	0.00%	0.00
	SUB TOTAL (C)			8115.00				149.61
(D)	For 220 kV Korba-Budhipadar Line							
1	220 kV Korba-Budhipadar line in Western Region (2/3 rd equity for WR)	69/2004	Before 31.3.2001	441.29	1.00	99.62%	1.62%	7.15
	TOTAL INCENTIVE							1210.86