

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No. 48/2004

In the matter of

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

And in the matter of

Power Grid Corporation of India Ltd., Gurgaon

.... **Petitioner**

Vs

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

The following were present:

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

**ORDER
(DATE OF HEARING: 8.8.2006)**

The petitioner seeks approval for incentive for the year 2003-04 based on availability for the transmission system in the Western Region, in terms of the Central Electricity Regulatory Commission (Terms & 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 affidavit dated 1.8.2006, the petitioner has claimed incentive from the respondents, as under

(Rs. in lakh)				
Assets	year	Equity (Rs. in lakh)	Availability	Incentive (Rs. in lakh)
(i) Western Region transmission assets	2003-04	45309.14	99.53%	1812.37
(ii) Inter-regional assets (excluding 220 kV Korba-Budhipadar transmission line)		9257.49	99.53%	370.30
(iii) 220 kV Korba-Budhipadar transmission line		442.86	99.89%	17.71

4. Member-Secretary , WREB in his letter dated 7.4.2004 has certified the availability of the transmission system in the region and the inter-regional assets during 2003-04 for the transmission system, excluding 220 kV Korba-Budhipadar transmission line at 99.53% by giving weightage of 50% to the availability of inter-regional assets in accordance with the regulations. In respect of the 220 kV Korba-Budhipadar transmission line, availability has been certified at 99.89%. While calculating equity,

only 50% of equity for inter-regional assets needs to be added to arrive at total equity for Western Region System. However, this is not applicable to Korba-Budhipadar line as the methodology for sharing of charges for this line is different from other inter-regional assets. While calculating equity for Korba-Budhipadar transmission line, 2/3rd of the equity of the line has been taken for WR System. Therefore, availability as well as equity of this line has been calculated separately.

5. 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 to incentive as under:

Assets	year	Qualifying % availability	Equity (Rs. in lakh)	Incentive Amount (Rs. in lakh)
(i) Western Region transmission assets	2003-04	99.53%	45309.14	1812.37
(ii) Inter-regional assets (excluding 220 kV Korba-Budhipadar transmission line)		99.53%	9257.49	370.30
(iii) 220 kV Korba-Budhipadar transmission line		99.89%	442.86	17.71

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

7. The Commission in its order dated 9.7.2004, 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 2003-04 approved by us in this order.

8. Sharing of incentive:

(i) The incentive in respect of Western Region transmission system and the inter-regional, except Korba-Budhipadar transmission line, assets shall be shared by the respondents, the beneficiaries in the Western Region, in proportion of the transmission charges shared by them.

(ii) The incentive in respect of Korba-Budhipadar transmission line shall be shared by MPSEB, CSEB and GEB, in proportion of the transmission charges shared by them for this line.

9. This order disposes of Petition No.48/2004.

Sd/-
(A.H.JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRPERSON

New Delhi dated the 14th September, 2006

Annexure

Name of the Company: PGCIL						
Name of the Region: Western						
Petition No.: 48/2004- Incentive for the years 2003-04						
					2003-04	
Availability of the Transmission System of PGCIL in WR excluding 220 kV Korba-Budhipadar line					99.53%	
Availability eligible for incentive (A)					4.00%	
					Rs. In Lakh	
Name of the Transmission System/ Line (1)	Petition No. for the period 2001-04 (2)	Date of commercial operation (3)	Equity as per Prior period Tariff (4)	Period during the year (Year) (5)	Incentive amount (6)=(4)*(5)*(A)	
(A) REGIONAL PROJECTS						
1	KORBA	27/2002	Before 31.3.2001	7648.51	305.94	
2	VINDHYACHAL STAGE-I TR.SYSTEM	47/2002	-do-	9491.19	379.65	
3	KAWAS	28/2002	-do-	1248.32	49.93	
4	KAKARPAR	46/2002	-do-	2046.00	81.84	
5.1	GANDHAR-DEHGAM& GHANDHAR-BHARUCH	74/2002	-do-	5503.32	220.13	
5.2	GANDHAR-PADHE I/C PADGHE S/S		-do-	4594.51	183.78	
5.3	GANDHAR-GANDHAR		-do-	227.97	9.12	
6	VINDHAYACHAL ADDITIONS-STAGE-I TR. SYSTEM	66/2002	-do-	6021.70	240.87	
7	REACTOR AT CHANDRAPUR	48/2002	-do-	233.55	9.34	
8.1	400 kV D/C VINDHAYACHAL-SATNA & SATNA-BINA LINE	72/2002	-do-	4243.66	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	40.02	
8.3	315 MVA ICT II WITH LILO OF 400 kV D/C BHILAI CHANDRAPUR LINE CKT--II		-do-	136.44	5.46	
9.1	400 kV D/C Kolhapur-Mapusa (Circuit-I),ICT-I with associated bays	120/2002	1.1.2003	754.36	30.17	
9.2	400 kV D/C Kolhapur-Mapusa (Circuit-II) ,ICT-II,Bus Reactor II and associated bays		1.12.2002	2159.11	86.36	
SUB TOTAL (A)				45309.14	1812.37	
(B) INTER REGIONAL PROJECTS						
1	400 KV D/C Singrauli-Vindhyachal Transmission Line alongwith (2x250 MW) HVDC back to back stations at Vindhyachal in Northern and western Region (50%)	15/2002	Before 31.3.2001	2773.09	110.92	
2	RAMGUNDAM CHANDRAPUR (50%)	9/2002	-do-	971.54	38.86	
3	CHANDRAPUR HVDC (50%)	69/2002	-do-	4029.06	161.16	
4	RAIPUR- ROURKELA (50%)	121/2002	1.4.2003	1483.79	59.35	
SUB TOTAL (B)				9257.49	370.30	
(C) For 220 kV Korba-Budhipadar Line						
Availability of the 220 kV Korba-Budhipadar line in Western Region					99.89%	
Availability eligible for incentive (B)					4.00%	
			(7)	(8)	Incentive amount (9)=(7)*(8)*(B)	
1	220 kV Korba-Budhipadar line in Western Region (2/3 rd equity for WR)	49/2002	Before 31.3.2001	442.86	17.71	
TOTAL INCENTIVE					2200.38	