

**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. 56/2004

In the matter of

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

And in the matter of

Power Grid Corporation of India Ltd., Gurgaon

.... **Petitioner**

Vs

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Calcutta
3. Grid Corporation of Orissa Ltd., Bhubaneswar
4. Damodar Valley Corporation, Calcutta
5. Power Department, Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board, Ranchi

....**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 Eastern 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, EREB (now ERPC), 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 31.7.2006, the petitioner has claimed incentive as under:

Assets	year	(Rs. in lakh)		
		Equity (Rs. in lakh)	Availability	Incentive (Rs. in lakh)
Eastern Region transmission assets (including Korba-Budhipadar transmission line)	2003-04	55221.25	99.31%	1656.64

4. Member-Secretary, ERPC in his letter dated 8.4.2004 has certified the availability of the transmission system in the region during 2003-04 for the transmission system at 99.31% by giving weightage of 50% to the availability of inter-regional assets of the region except Korba-Budhipadar transmission line for which the weightage of 33.33% has been given.

5. The availability for the year 2003-04 as certified by the Member Secretary, EREB for transmission assets in Eastern Region (including Korba-Budhipadar transmission line) is 99.31%, whereas the availability for Korba-Budhipadar transmission line has

been indicated as 99.91% in the detailed calculation furnished along with the certificate. In the petitions for incentive for the years 2001-02 and 2002-03 for Eastern Region and even in petitions for incentive in Western region, Korba-Budhipadar transmission line has been considered separately because of special sharing arrangement. Accordingly, we follow the same methodology in this case also. Incidentally, the data for availability for Korba-Budhipadar transmission line for the year 2003-04 is available in the detailed calculations annexed with the certificate issued by the Member Secretary, EREB. Based on this, the availability of transmission assets in ER (excluding Korba-Budhipadar transmission line) comes to 99.308% rounded off to 99.31%.

6. While calculating equity, only 50% of equity for inter-regional assets needs to be added to arrive at total equity for Eastern Region System. However, this is not applicable to Korba-Budhipadar transmission 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, only 33.33% equity of the transmission line has been taken for ER System. Therefore, availability as well as equity of this line has been calculated separately. The incentive has been worked out accordingly, considering the availability as certified by the Member-Secretary, EREB and the equity as calculated above. 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) Eastern Region transmission assets (excluding Korba-Budhipadar line)	2003-04	3%	56278.27	1649.99
(ii) Korba- Budhipadar transmission line		4%	221.43	8.86
Total			56499.70	1658.85

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

8. 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.

9. The incentive in respect of Eastern Region transmission assets shall be shared by the respondents, the beneficiaries in the Eastern Region, in proportion of the transmission charges shared by them.

10. This order disposes of Petition No.56/2004.

Sd/-

(A.H.JUNG)
MEMBER

Sd/-

(BHANU BHUSHAN)
MEMBER

Sd/-

(ASHOK BASU)
CHAIRPERSON

New Delhi dated the 14th September, 2006

Annexure

Name of the Region: Eastern						
Petition No.:56/2004- Incentive for the year 2003-04						
	Basic Availability for Incentive calculation					98.00%
	Availability of the Elements of Eastern Region (excluding Korba-Budhipadar transmission line)					99.31%
	Availability eligible for incentive (A)					3.00%
1.Eastern Region Transmission System (Excluding Korba-Budhipadar transmission Line)						
	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)
1	FARAKKA	12/2002	Before 31.3.2001	12920.98	1.00	387.63
2	KAHALGAON	25/2002	-do-	8070.06	1.00	242.10
3	JTTS	23/2002	-do-	5330.00	1.00	159.90
4	TALCHER	17/2002	-do-	5481.50	1.00	164.45
5	CHUKHA	11/2002	-do-	5272.00	1.00	158.16
6	RANGIT-RAMMAM & RANGIT-MELLY	62/2002	-do-	802.00	1.00	24.06
7	RANGIT-SILIGURI	-do-	-do-	1309.85	1.00	39.30
8	DEHRI-KARAMNASA	67/2002	-do-	377.31	1.00	11.32
9	HATHIDAH RIVER CROSSING SECTION OF 220 KV BIHARSHARIFF BEGUSARAI T/L	63/2002	-do-	204.75	1.00	6.14
10	1X63 MVA REACTOR AT KOLAGHAT- RENGALI LINE AT RENGALI END	65/2002	-do-	191.81	1.00	5.75
11	ICT AT JEYPORE	139/2002	1.10.2002	87.85	1.00	2.64
12	ICT AT MALDA	112/2002	1.5.2002	85.59	1.00	2.57
13	JAMSHEDPUR- RURKELA	113/2002	1.1.2003	168.35	1.00	5.05
14	TALCHER-MERAMUNDALI	131/2002	1.12.2003	526.28	0.33	5.26
15	LILLO BONGAIGAON-MALDA AT SILIGURI	138/2002	1.8.2003	481.38	0.67	9.63
16	PURNIA DALKOLA LINE AND EXTN. AT PURNIA S/STN	12/2005	1.11.2003	115.80	0.42	1.45
17	LILLO BONGAIGAON-MALDA AT PURNIA	104/2005	1.11.2003	1199.31	0.42	14.99
18	JEYPORE-GAZUWAKA HVDC LINK (50%)	51/2002	Before 31.3.2001	4802.04	1.00	144.06
19	400 KV D/C MALDA-BONGAIGAON T/L (50%)	71/2002	-do-	4988.67	1.00	149.66
20	BIHARSHARIF-SASARAM-SARNATH T/L (50%)	55/2002	1.7.2001	1659.44	1.00	49.78
21	SASARAM HVDC B/B, AC STN and SARNATH-ALLAHABAD (50%)	111/2002	1.12.2002	588.89	1.00	17.67
22	RAIPUR-RURKRELA (50%)	121/2002	1.4.2003	1483.79	1.00	44.51
23	MALDA AUTO TRANSFORMER	64/2002	Before 31.3.2001	130.62	1.00	3.92
	SUB-TOTAL(i)			56278.27		1649.99

(2)	For 220 kV Korba-Budhipadar transmission Line					
	Basic Availability for Incentive Calculation				98.00%	
	Availability of the Korba-Budhipadar transmission line 3rd Ckt. of Eastern Region				99.91%	
	Availability eligible for incentive (B)				4.00%	
				(7)	(8)	Incentive amount (9)=(7)*(8)*(B)
2.1	KORBA-BUDHIPADAR TRANSMISSION LINE 3rd Ckt.(1/3rd)	49/2002	Before 31.3.2001	221.43	1.00	8.86
	SUB-TOTAL(ii)			221.43		8.86
	TOTAL INCENTIVE (Sub Total i+ii)			56499.70		1658.85