

**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. 89/2002

Approval of incentive based on availability of transmission system for the year 2001-02 for Eastern Region.

Petition No. 45/2003

In the matter of

Approval of incentive based on availability of transmission system for the year 2002-03 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 U.K. Tyagi, PGCIL
2. Shri M.M. Mondal, PGCIL
3. Shri B.C.Pant, PGCIL

**ORDER
(DATE OF HEARING: 21.9.2006)**

The petitioner seeks approval for incentive for the years 2001-02 and 2002-03 based on availability of 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. The petitioner has claimed incentive as under:

Assets	year	Equity (Rs. in lakh)	Availability	Incentive (Rs. in lakh)
(i) Eastern Region transmission assets (including ICT at Malda Auto Transformer for the period 1.10.2001 to 31.3.2002)	2001-02	40025.57	99.02%	1200.76
(ii) Inter-regional assets (excluding 220 kV Korba-Budhipadar transmission line)		11035.29	99.02%	331.06
(iii) 220 kV Korba-Budhipadar transmission line (1/3 rd equity for Eastern Region)		221.43	99.33%	6.64
(iv) Malda Auto-Transformer for the period 1.4.2001 to 30.9.2001		65.31	100%	2.61
(i) Eastern Region transmission assets	2002-03	40318.93	99.45%	1209.57
(ii) Inter-regional assets (excluding 220 kV Korba-Budhipadar transmission line)		11805.85	99.45%	354.18
(iii) 220 kV Korba-Budhipadar transmission line (1/3 rd equity for Eastern Region)		221.81	98.77%	4.44

4. The petitioner's claim for incentive is based on the availability certified by Member-Secretary, Eastern Regional Power Committee under letter dated 18.7.2006 for the year 2001-02 and under letter dated 16.6.2003 for the year 2002-03.

5. While calculating equity, only 50% of equity for inter-regional assets except 220 kV Korba-Budhipadar transmission line, has been added to arrive at total equity for Eastern Region System. While calculating equity for 220 kV Korba-Budhipadar transmission line, only 1/3rd equity of the transmission line has been taken for Eastern Region System. Therefore, availability as well as equity of this transmission 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 (including ICT at Malda Auto Transformer for the period 1.10.2001 to 31.3.2002 but excluding 220 kV Korba-Budhipadar transmission line)	2001-02	3%	51541.03	1531.83
(ii) 220 Korba-Budhipadar transmission line (1/3 rd equity for Eastern Region)		3%	221.43	6.64
(iii) Malda Auto-Transformer (for the period 1.4.2001 to 30.9.2001)		4%	130.62	2.61
(i) Eastern Region transmission assets (excluding 220 kV Korba-Budhipadar transmission line) and including Inter-regional assets	2002-03	3%	52471.71	1557.05
(ii) 220 kV Korba-Budhipadar transmission line (1/3 rd equity for Eastern Region)		2%	221.43	4.43

6. The petitioner in its affidavit dated 5.12.2005 has submitted that for incentive calculations for the year 2002-03, the equity as on 1.4.2001 has been considered as per final orders for the period 2001-04. In addition, equity on account of FERV and additional capitalization during 2001-02 and 50% equity of FERV during 2002-03 have

also been considered. In our calculations, the incentive has been worked out on the basis of the equity figures as considered in tariff orders for the period 2001-04 pertaining to Eastern Region. The explains the reasons for difference in the amount claimed and amount allowed during 2002-03.

7. The details of calculations in support of the incentive allowed by us are given in the Annexures I and II attached.

8. The Commission had 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.

9. The incentive approved shall be shared by the respondents, the beneficiaries in the Eastern Region, in proportion of the transmission charges shared by them, except the incentive approved for Malda Auto Transformer for the period 1.4.2001 to 30.9.2001, which shall be paid exclusively by West Bengal State Electricity Board, Respondent No. 2.

10. This order disposes of Petitions No. 89/2002 and 45/2003.

sd-/
(A.H.JUNG)
MEMBER

sd-/
(BHANU BHUSHAN)
MEMBER

sd-/
(ASHOK BASU)
CHAIRPERSON

New Delhi dated the 26th October 2006

Annexure-I

Name of the Company: PGCIL										
Name of the Region: Eastern										
Petition No.:89/2002- Incentive for the year 2001-02										
	Basic Availability for Incentive calculation									98.00%
	Availability of the Elements of Eastern Region(excluding Korba-Budhipadar transmission line)									99.02%
	Availability eligible for incentive (A)									3.00%
(Rs. in lakh)										
1.ER Transmission System (Excluding 220 kV 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 1.3.2001	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	TALCHAR	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 TRANSMISSION LINE	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	MALDA AUTO TRANSFORMER (As regional asset from. 1-10-2001 to 31-3-2002)	64/2002	-do-	130.62	0.50	1.96				
12	JEYPORE-GAZUWAKA HVDC LINK (50%)	51/2002	-do-	4802.04	1.00	144.06				
13	400 kV D/C MALDA-BONGAIGAON TRANSMISSION LINE (50%)	71/2002	-do-	4988.67	1.00	149.66				
14	BIHARSHARIF-SASARAM-SARNATH TRANSMISSION LINE (50%)	55/2002	1.7.2001	1659.44	0.75	37.34				
	TOTAL			51541.03		1531.83				
(2)	For 220 kV Korba-Budhipadar Transmission Line									
	Availability of the Korba-Budhipadar transmission line (3rd Ckt.) of Eastern Region									99.33%
	Availability eligible for incentive (B)									3.00%
1	KORBA-BUDHIPADAR I/R LINE 3rd Ckt.(1/3rd)	49/2002	Before 1.3.2001	221.43	1.00	6.64				
(3)	For Malda Auto Transformer (BI- LATERAL SYSTEM)									
	Availability of the Transmission System Elements of PGCIL of Eastern Region									100.00 %
	Availability eligible for incentive-(C)									4.00%
1	MALDA AUTO TRANSFORMER (Bi-lateral with WBSEB for the period 1-4-2001 to 30-9-2001)	64/2002	Before 1.3.2001	130.62	0.50	2.61				

Annexure II

Name of the Company: PGCIL						
Name of the Region: Eastern						
Petition No.:45/2003- Incentive for the year 2002-03						
	Basic Availability for Incentive calculation				98.00%	
	Availability of the Elements of Eastern Region(excluding Korba-Budhipadar transmission line)				99.45%	
	Availability eligible for incentive (A)				3.00%	
(Rs. in lakh)						
1.ER Transmission System (Excluding 220 kV 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	TALCHAR	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 TRANSMISSION LINE	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	MALDA AUTO TRANSFORMER (Considered as regional asset of ER w.e.f. 1-10-2001)	64/2002	-do-	130.62	1.00	3.92
12	ICT AT JEYPORE	139/2002	1.10.2002	87.85	0.50	1.32
13	ICT AT MALDA	112/2002	1.5.2002	85.59	0.92	2.35
14	JAMSHEDPUR- ROURKELA	113/2002	1.1.2003	168.35	0.25	1.26
15	JEYPORE-GAZUWAKA HVDC LINK (50%)	51/2002	Before 31.3.2001	4802.04	1.00	144.06
16	400 kV D/C MALDA-BONGAIGAON TRANSMISSION LINE (50%)	71/2002	-do-	4988.67	1.00	149.66
17	BIHARSHARIF-SASARAM-SARNATH TRANSMISSION LINE (50%)	55/2002	1.7.2001	1659.44	1.00	49.78
18	SASARAM HVDC B/B AC STN & SARNATH ALLAHABAD (50%)	111/2002	1.12.2002	588.89	0.33	5.89
	TOTAL			52471.71		1557.05
For 220 kV Korba-Budhipadar Transmission Line						
	Availability of the Korba-Budhipadar line (3rd Ckt.) of Eastern Region				98.77%	
	Availability eligible for incentive (B)				2.00%	
1	KORBA-BUDHIPADAR INTER-REGIONAL LINE 3rd Ckt.(1/3rd)	49/2002	Before 31.3.2001	221.43	1.00	4.43