

CENTRAL ELECTRICITY REGULATORY COMMISSION

Core 3, 6th floor, SCOPE Complex, New Delhi-110003

Tele 24360216 FAX 4360010

Petition No 16/99

New Delhi: Dt 16 2 2003

TO

As per list

Sir,

I am directed to send herewith a copy of order dated 7/2/2003 in

~~Petition/Review~~ ~~Petition~~ /IX No. 16/99 for

your information and compliance of Commission's direction(s).

2. The Petitioner is requested to remit the balance filing fee for the Petition Review Petition immediately, if it has not been remitted already.

Encl. As above

Yours faithfully,


(A.K. ROY)
Bench Officer

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram :

1. Shri Ashok Basu, Chairman
2. Shri G.S. Rajamani, Member
3. Shri K.N. Sinha, Member

Petition No. 16/1999

In the matter of

**Approval of incentive based on availability of Transmission System
for the years 1997-98 and 1998-99 for Northern Region**

And in the matter of

In the matter of

M/s Power Grid Corporation of India Ltd.

.... Petitioner

Versus

1. Rajasthan State Electricity Board, Jaipur
2. Himachal Pradesh State Electricity Board, Shimla
3. Punjab State Electricity Board, Patiala
4. Haryana Vidyut Prasaran Nigam Ltd., Panchkula
5. Power Development Department, J&K, Jammu
6. U.P. State Electricity Board, Lucknow
7. Delhi Vidyut Board, New Delhi
8. Chandigarh Administration, Chandigarh

..... Respondents

The following were present:

1. Shri R.K. Vohra, ED(Comml.), PGCIL
2. Shri A.K. Khetri, DGM, PGCIL
3. Shri U.K. Tyagi, PGCIL
4. Shri S. Mehrotra, Dy. Mgr (F), PGCIL
5. Shri J Mazumdar, PGCIL
6. Shri K.K. Mittal, XEN(ISP), RVPN
7. Shri G.M. Agrawal, Dy. CE (Comml.), RVPN
8. Shri V.K. Gupta, Consultant, RVPN
9. Shri J.S. Bhargava, AEW, RVPN
10. Shri Mahendra Kumar, EE, UPPCL
11. Shri R.K. Arora, XEN, HVPN
12. Shri T.P.S Bawa, PSEB

ORDER

(Date of Hearing: 22.1.2003)

This petition seeks approval for incentive payable to the petitioner, Power Grid Corporation of India Ltd for the years 1997-98 and 1998-99 in respect of transmission system in the Northern Region.

2. It has been provided in Ministry of Power's notification dated 16.12.1997 that in addition to transmission charges for availability of the transmission system beyond 95%, the petitioner shall be entitled to incentive at a rate which shall not exceed 1.0% of return on equity for each percentage point of increase in availability based on the certification by Member Secretary, Regional Electricity Board, (Northern Regional Electricity Board in the present case). The petition for approval of incentive has been filed based on the said notification dated 16.12.1997 and the petitioner has claimed incentive as under from the respondents.

Year	(Rs. in lakhs)	
	Equity	Incentive
1997-98	98159.43	4220.86
1998-99	105077.77	4224.13

3. The parties to this petition had raised certain preliminary questions of law regarding the jurisdiction of the Commission to approve incentive from a date on which it was not constituted. It bears notice that the Commission was constituted on 24.7.1998 though the approval to incentive has been sought from 1.4.1997. The preliminary questions of law raised on behalf of the parties were considered by the Commission and through its order of 19.6.2000, the Commission held that approval of incentive for the years 1997-98 and 1998-99 fell within its jurisdiction. Therefore, the Commission had decided to hear the petition on merits. Meanwhile,

the respondents were directed to pay 50% of the claim by the petitioner raised in the petition as an interim measure. Subsequently, in its order dated 18.10.2001, the Commission permitted the petitioner to recover 80% of the incentive claimed by it.

4. The other issues raised on behalf of the respondents on the admissibility of the claim were decided by the Commission in its order dated 26.9.2000. The Commission also prescribed the procedure for calculation of transmission system availability by the Regional Electricity Boards (NREB in the present case) while certifying availability of the transmission system. The Commission had, inter-alia, held that the incentive for the years in question, that is, 1997-98 and 1998-99 should be worked out based on Ministry of Power's notification dated 16.12.1997. Therefore, we do not propose to go into these issues raised on behalf of the parties once again since these issues are already settled so far as the Commission is concerned in the order dated 26.9.2000.

5. Member Secretary, NREB in its certificate dated 1.2.2001 has certified the availability of transmission system in the region during 1997-98 at 99.30% and during 1998-99 at 99.02%. The petitioner has worked out year-wise incentive by considering closing equity in a year. In the interest of justice we consider it appropriate that incentive should be payable based on the average equity during the year. The incentive has been worked out accordingly, considering the availability as certified by the Member Secretary, NREB. Based on the above, the petitioner shall be entitled to incentive as under:

Year	Qualifying % Availability	Equity (Rs. in lakhs)	Amount (Rs. in lakhs)
1997-98	4.30%	98138.26	4219.95
1998-99	4.02%	105026.69	4222.07


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

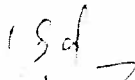
7. The Commission in its order dated 18.10.2001, had allowed provisional incentive of 80% of that claimed by the petitioner in the present petition. The provisional incentive charged by the petitioner shall be subject to adjustment on the basis of final incentive for the years 1997-98 and 1998-99 approved by us in this order.

8. The incentive of Rs.4219.96 lakhs and Rs.4222.07 lakhs for the years 1997-98 and 1998-99 respectively shall be borne by the respondents, the beneficiaries in the Northern Region, in proportion of energy drawn.

9. This order disposes of petition No. 16/99.


(K.N. Sinha)
Member


(G.S. Rajamani)
Member


(Ashok Basu)
Chairman

New Delhi dated the 7th February 2003.

Section No.: 1099- incentive for the years 1997-98 & 1998-99					
Basic Availability for Incentive calculation					
	Availability of the Transmission System Elements of PGCIL of Northern Region as per certificate of Member, NREB dated			95.00% 99.30%	95.00% 99.02%
	Availability beyond 95%- (A)			4.30%	4.02%

Name of the Transmission System/ Line		(1)	Date of GoI Tariff Notification/ Petition No & date of order	(2)	D.O.C.O.(3)	1997-98		1998-99		RS. In Lacs	
(A)	NOTIFIED SCHEMES					Equity as per Gol notification/ CERC order (4)	Period during the year (Year) (5)	Incentive amount (6)=(4)*(5)*(A)	Equity as per Gol notification/ CERC order (7)	Period during the year (Year) (8)	Incentive amount (9)=(7)*(8)*(A)
1.1.1	ANTA		16.11.98 (Northern Region)		Before 01.04.97	2030.50	1.00	87.31	2030.50	1.00	81.63
1.1.2	AURAIYA		-do-		-do-	3559.50	1.00	153.06	3559.50	1.00	143.09
1.1.3	SINGARAUJI		-do-		-do-	6915.50	1.00	297.37	6915.50	1.00	278.00
1.1.4	RIHAND		-do-		-do-	41629.50	1.00	1790.07	41629.50	1.00	1673.51
1.1.5	VINDHYACHAL HVDC 50%		20.07.1988 (Western Region)		-do-	2440.25	1.00	104.93	2440.25	1.00	98.10
1.1.6	BAIRA-SIUL		16.11.98 (Northern Region)		-do-	144.50	1.00	6.21	144.50	1.00	5.81
1.1.7	CHAMNERA-MOGA		-do-		-do-	10901.00	1.00	468.74	10901.00	1.00	438.22
1.1.8	MOGA-HISSAR		-do-		-do-	4977.00	1.00	214.01	4977.00	1.00	200.08
1.1.9	SALAL 1		-do-		-do-	918.50	1.00	39.50	918.50	1.00	36.92
1.1.10	SALAL II INCL SARNA-DASUYA		-do-		-do-	3729.00	1.00	160.35	3729.00	1.00	149.91
1.1.11	TANAKPUR		-do-		-do-	794.00	1.00	34.14	794.00	1.00	31.92
1.1.12	a) ADDITIONAL CAPITALISATION-ANTA		14.5.99 (Northern Region)		-do-	58.50	1.00	2.52	58.50	1.00	2.35
	b) ADDITIONAL CAPITALISATION-AURAIYA		-do-		-do-	131.86	1.00	5.67	131.86	1.00	5.30
	c) ADDITIONAL CAPITALISATION-RIHAND		-do-		-do-	2083.91	1.00	89.61	2083.91	1.00	83.77
	d) ADDITIONAL CAPITALISATION-VINDHYACHAL HVDC		-do-		-do-	93.05	1.00	4.00	93.05	1.00	3.74
	e) ADDITIONAL CAPITALISATION-SINGRAULI		-do-		-do-	387.30	1.00	16.65	387.30	1.00	15.57
	f) ADDITIONAL CAPITALISATION-BAIRASIUL		-do-		-do-	46.97	1.00	2.02	46.97	1.00	1.89
	g) ADDITIONAL CAPITALISATION-CHAMNERA-MOGA		-do-		-do-	59.21	1.00	2.55	59.21	1.00	2.38
1.1.13	CHAMNERA-KISHANPUR i/c KISHANPUR S/S		07.5.99 (Northern Region)		01.10.97	7933.00	0.50	168.41	7833.00	1.00	314.89
1.1.14	URI I/C ZIANKOT BAY AT WAGOORA				01.04.97, 01.06.97 & 01.02.98	-	-	377.42	9266.00	1.00	372.49
	SUB TOTAL (A) 2					88733.05		4024.53	97999.05		3939.56
(B)	AS PER ORDER OF CERC										
1.2.1	HISSAR-BHIWANI (Ckt.-I)		79/2001 CERC Order dt.30.10.2002		01.07.95	590.16	1.00	25.38	590.16	1.00	23.72
1.2.2	HISSAR-BAWANA- upto Bhiwani (Ckt.-II)				01.02.98	379.13	0.17	2.72	379.13	1.00	15.24
1.2.3	BAWANA-BHIWANI (Ckt.-I)				01.09.97	722.60	0.58	18.13	722.60	1.00	29.05
1.2.4	SALAL-KISHANPUR LINE		66/2000 CERC Order dt.20.09.2002		01.08.96	831.39	1.00	35.75	831.39	1.00	33.42
1.2.5	RAPP B-CHITTORGARH		49/2001 CERC Order dt.12.06.2002		01.11.98	0.00	0.00	0.00	1197.44	0.42	20.06
1.2.6	ICT-II AT MALARKOTLA		51/2001 CERC Order dt.30.10.2002		01.04.96	436.18	1.00	18.76	442.17	1.00	17.78
1.2.7	HISSAR-JAIPUR				01.08.97	2746.47	0.67	78.73	2755.80	1.00	170.78
1.2.8	BAWANA-HISSAR upto Bhiwani Ckt.-II				01.02.98	239.47	0.17	1.72	239.47	1.00	9.63

As per Notification it is observed that equity is added on different months during the year	hence weighted average equity has been considered as per petition and arrived as follows		
Rs. 8777.17 lacs		4219.96	103733.01

Hence Incentive = $8777.17 \times 4.30\% = \text{Rs. } 377.42$ lacs

The equity amount as per Gol Notification F.No.2/3/Powergrid/Tariff/99-(10) dt.14.05.1999 was fixed at Rs.935.97 Crs. weighted average for the year 1997-98 and Rs.980.02 Crs. for the year 1998-99.