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To all members of Transformer division and respective PVC mailing list
All utilities and listed purchasing organizations

Sub: Discontinuation of prices/indices for Transformers from January 2012

IEEMA in consultation with IEEMA Transformer member manufacturers during the Transformer division meeting held on 13th December 2011; has decided to discontinue circulation of prices and indices which are applicable for old PV clauses of Transformers (effective from 1st June 2003) from monthly basic price circular of January 2012.

Hence in the basic price circulars from January 2012, following two prices will not be published.

1. CRGO Electrical Steel price for Transformers of rating up to 10 MVA and voltage up to 33 KV under nomenclature 'C&F price converted into Rupees only'
2. Transformer Oil Base Stock (TOBS)

Copper prices applicable for Transformers of rating up to 10 MVA & voltage up to 33 KV (Distribution Transformers) and Transformers of rating above 10 MVA or voltage above 33 KV (Power Transformers) have been clearly mentioned separately.

However, for all the contracts pending beyond January 2012 with old IEEMA PV clause of Transformers (effective from 1st June 2003), we recommend following two stage methodology to settle the price variation claims. This methodology is well institutionalized, standard and common for all IEEMA PV clauses.

Step 1:

Calculate Price Variation: "P", from base date up to December 2011* using old IEEMA PV Clause effective from 1st June 2003 and applicable Prices/Indices.

Step 2:

Treat the above "P" as "Po" and calculate Final Price Variation taking Prices/Indices of December 2011* at base level up to actual/contractual date of delivery using new IEEMA PV Clause, effective from 1st January 2009 and applicable Prices/Indices.

* All Prices/Indices to be taken from the circular of December 2011. For Power Transformers, Copper price to be taken of LME average of November 2011 and for Distribution Transformers, Copper price to be taken of LME Average of December 2011.


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