

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. Shri Bhanu Bhushan, Member
2. Shri R.Krishnamoorthy, Member

Petition No.168/2007

In the matter of

Approval for incentive for the year 2006-07 in respect of 400 kV D/C Siliguri Purnea transmission line, 400 kV D/C Purnea-Muzaffarpur transmission line, 220 kV D/C Muzaffarpur (PGCIL)- Muzaffarpur (BSEB) transmission line and 400 kV D/C Muzaffarpur-Gorakhpur (50%) transmission line associated with Tala Hydro Electric project, East-North interconnector and Northern Region transmission system.

And in the matter of

Powerlinks Transmission Limited, New Delhi

..Petitioner

Vs

1. Power Grid Corporation of India Limited, Gurgaon...
2. West Bengal State Electricity Board, Kolkata
3. Damodar Valley Corporation, Calcutta
4. Bihar State Electricity Board, Patna
5. Grid Corporation of India Ltd., Bhubaneswar
6. Power Department, Govt. of Sikkim, Gangtok
7. Jharkand State Electricity Board, Ranchi

Respondent

Proforma respondents

The following were present:

1. Shri Suresh Sachdev, PTL
2. Shri B.A.Chaudhari, PTL
3. Shri S.Datta, PTL
4. Shri Parveen, PTL
5. Ms. Nita Jha, PTL
6. Shri U.K.Tyagi, PGCIL
7. Shri C.Kannan PGCIL

ORDER

(DATE OF HEARING: 24.6.2008)

The petitioner seeks approval of incentive for the year 2006-07 for the following transmission lines based on availability, in terms of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2004 (hereinafter

referred to as “the 2004 regulations”), declared under commercial operation on 1.9.2006:

- (a) 400 kV D/C Siliguri-Purnea transmission line (intra-regional);
- (b) 400 kV D/C Purnea-Muzaffarpur transmission line (intra-regional);
- (c) 220 kV D/C Muzaffarpur (PGCIL)-Muzaffarpur (BSEB) transmission line (intra-regional); and
- (d) 400 kV D/C Muzaffarpur-Gorakhpur transmission line (inter-regional) (50%).

2. Regulation 51 of the 2004 regulations provides as under:

“51. Target Availability for recovery of full transmission charges:

- (1) AC System: 98%
- (2) HVDC bio-pole links and HVDC back-to-back stations: 95%

3. In terms of Note I below Regulation 51, recovery of charges below the level of target availability is on *pro rata* basis and at zero availability no transmission charges are payable.

4. Clause (1) of Regulation 60 of the 2004 regulations further provides that the transmission licensee shall be entitled to incentive @ 1% of equity for each percentage point of increase in annual availability beyond the target availability prescribed under Regulation 51, in accordance with the following formula:

$$\text{Incentive} = \text{Equity} \times [\text{Annual availability achieved} - \text{Target availability}] / 100$$

5. The procedure for computation of transmission system availability is contained in Appendix III to the 2004 regulations, paras 5 and 6 of which provide as under:

“5. The transmission elements under outage due to following reasons not attributable to the transmission licensee shall be deemed to be available:

i) Shut down of transmission elements availed by other agency/agencies for maintenance or construction of their transmission system.

ii) Manual tripping of line due to over voltage and manual tripping of switched bus reactor as per the directions of RLDC.

6. Outage time of transmission elements for the following contingencies shall be excluded from the total time of the element under period of consideration.

(i) Outage of elements due to acts of God and force majeure events beyond the control of the transmission licensee. However, onus of satisfying the Member Secretary, REB that element outage was due to aforesaid events and not due to design failure shall rest on the transmission licensee. A reasonable restoration time for the element shall be allowed by Member Secretary, REB and any additional time taken by the transmission licensee for restoration of the element beyond the reasonable time shall be treated as outage time attributable to the transmission licensee. Member Secretary REB may consult the transmission licensee or any expert for estimation of restoration time. Circuits restored through ERS (Emergency Restoration System) shall be considered as available.

(ii) Outage caused by grid incident/disturbance not attributable to the transmission licensee, e.g. faults in substation or bays owned by other agency causing outage of the transmission licensee's elements, tripping of lines, ICTs, HVDC back-to-back stations etc. due to grid disturbance. However, if the element is not restored on receipt of direction from RLDC while normalising the system following grid incident/disturbance within reasonable time, the element will be considered not available for whole period of outage and outage time shall be attributable to the transmission licensee.”

6. Member-Secretary, EPRC under his letter dated 19.12.2007 has certified the availability of the transmission lines in the Eastern Region. Similarly, Member-Secretary, NRPC has certified availability of inter-regional transmission line under his letter dated 22.8.2007. The necessary details in this regard are as under:

S.No.	Assets	Availability
1.	Intra-regional AC lines	99.78%
2.	Inter-regional AC line	99.92%

7. Based on the above availability certificates, the petitioner has claimed incentive as under:

S. No.	Assets	Pro rata Equity (Rs. in lakh)	Availability	Incentive (Rs. in lakh)
1.	Intra-regional AC lines	11373.38	99.78%	202.45
2.	Inter-regional AC line	3398.00	99.92%	65.24

8. The incentive has been worked out by us, considering the availability as certified by the Member-Secretary, ERPC and NRPC. Based on the above, the petitioner shall be entitled as under:

S. No.	Assets	Qualifying % availability	Equity (Rs. in lakh)	Incentive Amount (Rs. in lakh)
1.	Intra-regional AC lines	99.78%	19497.22	202.45
2.	Inter-regional AC line	99.92%	5825.16	65.24

9. The details of calculations in support of the incentive allowed by us are given in the Annexure attached.

10. The Commission in its order dated 2.1.2008, had provisionally allowed incentive of 80% of that claimed by the petitioner in the petition. The provisional incentive charged by the petitioner shall be adjusted against final incentive for the year 2006-07 approved by us in this order.

11. In view of Transmission Service Agreement entered into between the petitioner and respondent No. 1, the petitioner shall claim incentive from respondent No. 1. It is also noted that BPTAs have been entered into between respondent No. 1 and the

beneficiaries, respondents Nos. 2 to 7. Accordingly, respondent No. 1 shall recover the incentive from respondents Nos. 2 to 7, which shall be shared by them in accordance with the 2004 regulations.

12. This order disposes of Petition No.168/2007.

Sd/-
(R.KRISHNAMOORTHY)
MEMBER

sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi dated the 8th July 2008

ANNEXURE

Name of the Company: Powerlinks Transmission Ltd.								
Petition No.:168/2007- Incentive for the year 2006-07								
Part of assets covered under Tala Transmission System								(Rs in lakh)
S. No.	Name of the Transmission System/ transmission Line (1)	Tariff Petition No. (2)	Date of commercial operation. (3)	Equity as per Tariff Order (4)	Period during the year (5)	Availability of the Transmission System Elements (6)	Availability eligible for incentive (7)	Incentive amount (6)= (4)*(5)*(7)
A	Intra-regional AC lines							
	Target availability for incentive							98%
1	400 kV D/C Siliguri Purnea Transmission Line	148/2007	1.9.2006	19497.22	0.58	99.78%	1.78%	202.45
2	400 kV D/C Purnea – Muzaffarpur Transmission Line							
3	220 kV D/C Muzaffarpur (PGCIL)- Muzaffarpur (BSEB) Transmission Line							
	SUB-TOTAL (A)			19497.22				202.45
B	Inter Regional AC line							
1	400 kV D/C Muzaffarpur-Gorakhpur Transmission Line (50%)	147/2007	1.9.2006	5825.16	0.58	99.92%	1.92%	65.24
	SUB-TOTAL (B)			5825.16				65.24
	TOTAL INCENTIVE (Sub Total A+B)			25322.38				267.69