

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

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

Petition No.169/2007

In the matter of

Approval of incentive based on availability of 400 kV D/C Gorakhpur-Lucknow transmission line, 400 kV D/C Barielly-Mandola transmission line and 400 kV D/C Muzaffarpur-Gorakhpur transmission line (50% share), associated with Tala Hydro Electric Power Project, East-North inter-connector and Northern Region Transmission System for the year 2006-07.

And in the matter of

Powerlinks Transmission Limited, New Delhi

..Petitioner

Vs

1. Power Grid Corporation of India Limited, Gurgaon... **Respondent**
2. Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur
3. Ajmer Vidyut Vitaran Nigam Ltd., Ajmer
4. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
5. Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur
6. Himachal Pradesh State Electricity Board, Shimla
7. Punjab State Electricity Board, Patiala
8. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
9. Power Development Department, Govt. of J&K, Jammu
10. Uttar Pradesh Power Corporation Ltd, Lucknow
11. Delhi Transco Ltd, New Delhi
12. BSES Yamuna Power Limited, New Delhi
13. BSES Rajdhani Power Ltd., New Delhi
14. North Delhi Power Ltd., New Delhi
15. Chief Engineer, Chandigarh Administration, Chandigarh
16. Uttaranchal Power Corporation Ltd, Dehradun
17. North Central Railway, Allahabad **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 transmission elements based on availability, in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as “the 2004 regulations”), namely-

- (a) 400 kV D/C Gorakhpur-Lucknow transmission line (Date of commercial operation- 1.8.2006) (intra-regional);
- (b) 400 kV D/C Bareilly-Mandola transmission line (Date of commercial line- 1.5.2006) (intra-regional); and
- (c) 400 kV D/C Muzaffarpur-Gorakhpur transmission line (inter-regional) (50%), (Date of commercial operation-1.9.2006).

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, NRPC under its letter dated 22.8.2007 has certified the availability of the transmission lines in the Northern Region and of the inter-regional assets during 2006-07 as under:

S.No.	Assets	Availability
1.	Intra-regional AC lines of Northern Region	99.49%
2.	Inter-regional AC line-400 kV D/C Muzaffarpur-Gorakhpur Transmission line (Northern Region and Eastern Region)	99.92%

7. Based on the availability certified by Member-Secretary, NRPC, 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	9014.70	99.49%	134.32
2.	Inter-regional AC lines	3455.83	99.92%	66.35

8. Uttar Pradesh Power Corporation Ltd. (UPPCL) in its reply stated that actual availability exceeding 99% against norm of 98% shows that only 7 hours outage was taken for maintenance. UPPCL has pointed out that either proper maintenance was not carried out or norm of 98% was too low. However, there is no dispute raised as regards the correctness of the availability certified by Member-Secretary, NRPC. None of the other respondents has filed reply.

9. Accordingly, incentive has been worked out by us considering the availability as certified by the Member-Secretary, NRPC. Based on the above, the petitioner shall be entitled to incentive as under:

S. No.	Assets	Qualifying availability	Equity (Rs. in lakh)	Incentive Amount (Rs. in lakh)
1.	Intra-regional AC lines	99.49%	11110.34	130.65
2.	Inter-regional AC line	99.92%	5825.16	65.24

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

11. 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.

12. In view of Transmission Service Agreement entered into between the petitioner and respondent No. 1, the petitioner shall claim incentive charges from respondent No. 1. It is noted also that BPTAs have been entered into between respondent No. 1 and the beneficiaries, respondents Nos. 2 to 17. Accordingly, respondent No. 1 shall recover incentive from respondents Nos. 2 to 17, which shall be shared by them, in accordance with the 2004 regulations.

13. This order disposes of Petition No.169/2007.

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.:169/2007- Incentive for the year 2006-07									
Part of assets covered under Tala Transmission System									(Rs in lakh)
S.No.	Name of the Transmission System/ 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 lines (6)	Availability eligible for incentive (7)	Incentive amount (6)= (4)* (5) *(7)	
A	Intra- regional elements								
	Target availability for incentive							98%	
1	400 kV D/C Gorakhpur-Lucknow Transmission Line	149/2007	01.08.2006	5663.40	0.66667	99.49%	1.49%	56.26	
2	400 kV D/C Bareilly-Mandola Transmission Line		01.05.2006	5446.94	0.91667			74.40	
	SUB-TOTAL (A)			11110.34				130.65	
B	Inter Regional elements								
1	400 kV D/C Muzaffarpur-Gorakhpur Transmission Line (50%)	147/2007	01.09.2006	5825.16	0.58	99.92%	1.92%	65.24	
	SUB-TOTAL (B)			5825.16				65.24	
	TOTAL INCENTIVE (Sub Total A+B)			16935.50				195.89	