CENTRAL ELECTRICITY REGULATORY COMMISSION

Record of Proceedings

PETITION NO. 161/2007

Sub: Approval of incentive based on availability of transmission system for the year 2006-07 for Northern Region.

| Date of hearing | : | 14.7.2009 |
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| Coram | : | Dr. Pramod Deo, Chairperson Shri S.Jayaraman, Member, and Shri.V.S.Verma, Member |
| Petitioner | : | Power Grid Corporation of India Limited, Gurgaon |
| Respondents: | | Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur Ajmer Vidyut Vitaran Nigam Ltd., Ajmer Jaipur Vidyut Vitaran Nigam Ltd, Jaipur Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur Himachal Pradesh State Electricity Board, Shimla Punjab State Electricity Board, Patiala Haryana Vidyut Prasaran Nigam Ltd, Panchkula Power Development Department, Govt. of J&K, Jammu Uttar Pradesh Power Corporation Ltd, Lucknow Delhi Transco Ltd, New Delhi BSES Rajdhani Power Ltd., New Delhi North Delhi Power Ltd., New Delhi Uttaranchal Power Corporation Ltd, Dehradun North Central Railway, Allahabad |
| Parties present | : | Shri U.K.Tyagi, PGCIL Shri J.Mazumder, PGCIL Shri R.Prasad, PGCIL Shri V.V.Sharma, PGCIL Shri A.K.Rajput, NRPC Ms. Rishika Sharan, NRPC |

Through this petition, the petitioner seeks approval for incentive based on availability of the transmission system in Northern Region for the year 2006-07.

2. During the last hearing on 26.5.2009, the petitioner was directed to file information. The petitioner vide its affidavit dated 13.7.2009 furnished the information called for.

3. Heard representative of the petitioner and parties present.

4. The representative of the petitioner stated that in the 1st Commercial Sub-Committee meeting of NRPC it was decided that tripping of transmission elements due to fog during winter of 2005-06 may be attributed to natural calamity; but from the year 2006-07 onwards these may be attributed to the petitioner. On a query by the commission regarding proper maintenance of the transmission lines, the petitioner stated that the cleaning of transmission line insulators was normally done during the months of October-November to avoid fog related tripping in areas of high pollution during winter months. However, under severe fog conditions tripping take place even after these preventive measures. It was stated that to avoid tripping of fog related tripping in high polluted areas, he is replacing the porcelain insulators by polymer insulators.

5. On a query by the Commission regarding the action taken by the petitioner to prevent these trippings as such type of trippings had occurred in previous years also, the representative of the petitioner stated that when the transmission lines were designed pollution level was low and it has now increased to a high level. CEA had recommended for replacement of insulators in and around NCR area, which requires large investment. On a query whether the petitioner has furnished the details of shutdown taken for cleaning of insulators, he stated that if required these details could be submitted.

6. On the reason for not considering the outage due to fog related trippings, during 2006-07 onwards, as not attributable to the petitioner, like previous years. The representative of the NRPC stated that as per decision in 1st Commercial sub-committee meeting held on 24. 5.2006, NRPC had considered the fog related trippings during 2006-07 as attributable to the petitioner. He further stated that it was observed that with the increased maintenance activities by the petitioner such type of trippings were less. This makes the availability of the system higher and benefits the petitioner also.

7. Commission observed that the incentive was the gain by the petitioner for higher level of maintenance and in this process the beneficiary was also benefited in terms of higher availability of the transmission system. However, if due to some reason the system was out then the beneficiary was deprived of the availability of the system. The Commission enquired why, in such cases, he should be awarded in form of incentive though actually the system was out. The representative of the petitioner stated that the outage in question was due to natural calamity and was not under control of it.

8. Commission asked whether petitioner was getting incentive even without considering the availability in question. The representative of the petitioner stated that except for the Rihand-Dadri HVDC system they were getting incentive for other transmission system. It was clarified that availability of Rihand-Dadri system was less not due to fog only, but other reasons also.

9. On a query about the interest to be paid by the petitioner in case of overrecovery of the fixed transmission charges, the representative of the petitioner had stated that after finalization of the provisional transmission charges the refundable amount was paid to the constituents with interest as per tariff regulations, 2004.

> Sd/-(K.S.Dhingra) Chief (Legal)