

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 56/MP/2016

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K. Singhal, Member

Shri A.S. Bakshi, Member

Dr. M.K Iyer, Member

Date of Hearing: 14.06.2016

Date of Order : 18.11.2016

In the matter of

Petition under of Section 28 (4) of Electricity Act, 2003 read with Regulation 6 and Regulation 29 of Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2015 for approval of Performance Linked incentive for ERLDC for the Financial year 2014-15 with reference to ERLDC Charges for the control period 1.4.2014 to 31.3.2019.

And

In the matter of

Eastern Regional Load Despatch Centre
B-9, Qutub Institutional Area, 1st Floor, Katwaria
Sarai, New Delhi -110016

.....Petitioner

Vs

1. Chairman, Bihar State Holding Co. Ltd.,
Vidyut Bhawan, Bailey Road, Patna,
Bihar-800 021
2. Chairman, Jharkhand Urja Vikas Nigam Ltd.,
Dhurwa Road, Ranchi,
Jharkhand-834 002
3. Chairman, Damodar Valley Corporation,
DVC Tower, VIP Road,
Kolkata, WB 700 054
4. Chairman, Grid Corporation of India Ltd.,
Janpath, Bhubaneswar,

Odisha-751 022

5. Secretary, Power Deptt. Govt. of Sikkim,
Kaji Road Sikkim Gangtok-731 101
6. Chairman, West Bengal State Electricity Distribution Coprn. Ltd.
Bidyut Bhawan, Saltlake,
Kolkata-WB 700 091
7. Executive Director, ER-I, Power Grid Coprn. Ltd.,
Boring Road,
Patna-800 001
8. Addl. General Manager, NTPC Vidyut Vyapar Nigam Ltd.,
Lodhi Road,
New Delhi-110 003
9. General Manager, Farakka Super Thermal Power Plant-I&II,
NTPC Ltd., Farakka,
WB 742 236
10. General Manager, Kahalgaon Super Thermal Power Plant-I,
NTPC Ltd.,
Bhagalpur Bihar-813 214
11. General Manager, Kahalgaon Super Thermal Power Plant-II,
NTPC Ltd., Bhagalpur Bihar-813 214
12. Executive Director, Talcher Super Thermal Power Stn-I,
NTPC Ltd., Nayapalli,
Odisha-751 012
13. Chief Engineer (Elect), Teesta V HEP,
NHPC, Singtam,
East Sikkim-737 134
14. Chief Engineer, Rangit Hydro Electric Project NHPC,
PO Rangit Nagar South Sikkim-737 111
15. Chairman, Damodar Valley Corporation,
DVC Tower, VIP Road,
West Bengal, Kolkata-700 054
16. General Manager, Farakka Super Thermal Power Plant-III,
NTPC Ltd., Farakka,
WB 742 236

17. Sr. VP, Sterlite Energy Ltd.,
1st Floor, City Mart Complex, Baramunda,
Odisha-751 023
18. CEO, Maithon Power Ltd. MA-5 Gogna Colony,
P.O: Maithon, Dhanbad,
Jharkhand-828 027
19. Addl. General Manager, National Thermal Power Corpn. Ltd.,
BARH Thermal Power Station, Patna,
Bihar-803 213
20. President & Director-Projects, GATI Infrastructure Pvt. Ltd.,
268, Udyog Vihar, Phase-IV, Gurgaon,
Haryana-122 001
21. DGM (Electrical), Adhunik Power & Natural Resource Ltd.
Village: Padampur,
PS:Kandra Tata-Seraikela Road,
Jharkhand-832 105
22. Addl. General Manager (Commercial), Talcher Solar OVT,
ER-II Headquarters, NTPC Ltd., 3rd Floor, OLIC Building,
Plot No.: N-17/2, Nayapalli, Odisha Bhubhaneshwar-751 012
23. GM (Power Sales & Regulatory), GMR Kamalanga Energy Ltd.,
Plot No.-29, Satyanagar, Bhubaneshwar,
Odisha-751 007
24. Head Power and Sales, Jindal India Thermal Power Ltd.,
Plot No. 12, Local Shopping Complex, Sector-B1, Vasant Kunj,
New Delhi-110 070
25. Chief Engineer (PTR), WBSEDCL,
Power Trading and Regulatory Cell,
Bidyut Bhavan, Block-A, Sector-II, Saltlake, Kolkata,
West Bengal-700 091
26. Advisor (Power), Ind-Barath Energy Utkal Ltd.,
Sahajbahal, PO Cgarpali Barpali, Dist.-Jharsuguda,
Odisha-768 211
27. Head Commercial, Tata Power Trading Co. Ltd.,
C-43, Sector-62,
Noida 201 307, UP

28. Sr. General Manager (PP), Grid Corporation India Ltd.,
Janpath, Orissa,
Bhubaneswar-751 022

29. Chairman, East North Interconnection Company Ltd.,
C-2, Mathura Road,
New Delhi-110 065

30. Executive Director, ER-I, Power Grid Corporation (I) Ltd. Boring Road,
Patna-800 001

31. General Manager, Powerlinks Transmission Ltd. Vidyut Nagar,
Siliguri WB 734 015

Parties present:

Shri KVS Baba, POSOCO
Shri Aditya P. Das, WRLDC
Shri V. Balaji, SRLDC
Shri M.K. Gupta, SRLDC
Shri H.K. Chawla, NRLDC
Shri Rajib Sutradhar, NERLDC
Shri Manas Das, ERLDC
Ms. Abiha Zaidi, POSOCO

ORDER

The petitioner, Eastern Regional Despatch Centre (NRLDC), has filed the present petition under of Section 28 (4) of Electricity Act, 2003 read with Regulations 6 and 29 of Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2015 (hereinafter referred to as “Fees and Charges Regulations”) for approval of Performance Linked Incentive (PLI) for ERLDC for the financial year 2014-15 for the control period 1.4.2014 to 31.3.2019.

2. Brief facts of the case leading to the filing of the petition and subsequent developments after the filing of the petition are capitulated as under:

(a) The petitioner, Eastern Regional Load Despatch Centre setup under Section 27 of the Electricity Act, 2003 performs functions specified in Section 28 of the Electricity Act, 2003. NLDC and RLDCs are operated by Power System Operation Corporation Limited (POSOCO) in accordance with Government of India, Ministry of Power's notification dated 27.9.2010.

(b) As per Regulation 29 (1) to 29 (3) of the Fees and Charges Regulations, the recovery of performance linked incentive by NLDC and RLDCs shall be based on the achievement of Key Performance Indicators (KPI) as specified in Appendix V of the Fees and Charges Regulations or other such parameters as specified by the Commission.

(c) As per Regulation 29 (6) of the Fees and Charges Regulations, RLDCs or NLDC are required to compute the KPIs on annual basis for the previous year ending 31st March and to submit to the Commission for approval as per Appendix V and VI of the Fees and Charges Regulations.

(d) As per methodology specified in Appendix V of the Fees and Charges Regulations, KPI score for ERLDC for the year 2014-15 has been computed as under:

S. No.	Key Performance Indicators	Weightage	Previous Year (2014-15)
1	Reporting of Interconnection meter error	10	10
2	Reporting of Grid Incidents and Grid Disturbance	10	10
3	Average processing time of shut down request	10	10
4	Availability of SCADA System	10	10
5	Voltage Deviation Index (VDI)	10	10
6	Frequency Deviation Index (FDI)	10	10
7	Reporting of System Reliability	10	6.67
8	Availability of Website	10	10
9	Availability of Standby Supply	5	5
10	Variance of Capital expenditure	5	5
11	Variance of Non Capital expenditure	5	4.96
12	Percentage of Certified Employee	5	5
	Total	100	96.63

(e) As per the methodology provided in Regulation 29 (5) of Fees and Charges Regulations, the petitioner is entitled to recover 7% of annual charges for aggregate performance level of 85% for three years commencing from 1.4.2014 and the incentive shall increase by 1% of annual charges for every 5% increase of performance level above 90%. Accordingly, recovery of Performance Linked Incentive for the year 2014-15 works out as 8.33% of the annual charges [7% for 85% performance level + 1% for performance level from 90% to 95% + 0.33% for performance level from 95% to 96.63%].

3. Against the above background, the petitioner has filed the present petition with the following prayers:

(a) Approve the charges for ERLDC, for control period 1.4.2014 to 31.3.2019 proposed vide affidavit dated 13.10.2015.

- (b) Approve the proposed performance linked incentive based on the KPIs computed by ERLDC for year ending 31.3.2015 given at para 6, the KPI score given at para 7 and PRP percentage of Annual Charges for the year 2014-15 as per para 8 above.
 - (c) Allow the applicant to recover incentive from the users for the year 2014-15 as approved by the Commission.
 - (d) Pass such other order as the Commission deems fit and appropriate in this case and in the interest of justice.”
4. The matter was heard on 26.5.2016 and notices were issued to the respondents to file their replies. No reply has been filed by the respondents despite notice.
5. The petitioner, vide Record of Proceedings for the hearing dated 26.5.2016, was directed to file the following information:
- (a) Elaborate rationale to arrive at the formula for calculation of marks for various KPIs for year 2014-15.
 - (b) Whether the petitioner intimated concerned utilities regarding inter-connection meter error covered under KPI-1? If yes, provide details?
 - (c) Whether the petitioner reported each incident of grid disturbance to the Commission. If yes, provide details?
 - (d) According to the petitioner, 26 hours is the time allowed to NLDC and 50 hours (including NLDC time) to RLDC for approval of the shutdown requests. The basis of considering these hours may be submitted.
 - (e) With regard to voltage deviation index, whether petitioner intimated to concerned utilities for corrective action. If yes, provide details?
 - (f) With regard to KPI-7 (Reporting of system reliability) the petitioner at Annexure-VII has mentioned that reporting of angle difference between important buses (to be reported to CERC) is not applicable. Clarify the same and reasons for not reporting to the Commission may be explained.
 - (g) Regarding KPI-10 the formulae proposed by the petitioner may be reviewed since it is not taking absolute value of % variation.

(h) Details of Productivity Linked Incentive (PLI) claims. In case of discrepancy with the figures in respective Fee and Charges, the reasons of the same may be explained.

6. The petitioner, vide its affidavit dated 8.6.2016, has submitted the information called for.

7. The present petition has been filed under Regulations 6 and 29 of the Fees and Charges Regulations for approval of Performance Linked Incentive for the financial year 2014-15. Regulations 6 and 29 are extracted as under:

“6. Application for determination of fees and charges:

(1) The RLDCs and NLDC shall make application in the formats annexed as Appendix I to these regulations within 180 days from the date of notification of these Regulations, for determination of fees and charges for the control period, based on capital expenditure incurred and duly certified by the auditor as on 1.4.2014 and projected to be incurred during the control period based on the CAPEX and the REPEX.

(2) The application shall contain particulars such as source of funds, equipments proposed to be replaced, details of assets written off, and details of assets to be capitalized etc.

(3) Before making the application, the concerned RLDC or NLDC, as the case may be, shall serve a copy of the application on the users and submit proof of service along with the application. The concerned RLDC or NLDC shall also keep the complete application posted on its website till the disposal of its petition.

(4) The concerned RLDC or NLDC, as the case may be, shall within 7 days after making the application, publish a notice of the application in at least two daily newspapers, one in English language and one in Indian modern language, having circulation in each of the States or Union Territories where the users are situated, in the same language as of the daily newspaper in which the notice of the application is published, in the formats given in Appendix II to these regulations.

(5) The concerned RLDC or NLDC, as the case may be, shall be allowed the fees and charges by the Commission based on the capital expenditure incurred as on 1.4.2014 and projected to be incurred during control period on the basis of CAPEX and REPEX duly certified by the auditor in accordance with these Regulations:

Provided that the application shall contain details of underlying assumptions and justification for the capital expenditure incurred and the expenditure proposed to be incurred in accordance with the CAPEX and REPEX.

(6) If the application is inadequate in any respect as required under Appendix-I of these regulations, the application shall be returned to the concerned RLDC or NLDC for resubmission of the petition within one month after rectifying the deficiencies as may be pointed out by the staff of the Commission.

(7) If the information furnished in the petition is in accordance with the regulations and is adequate for carrying out prudence check of the claims made the Commission shall consider the suggestions and objections, if any, received from the respondents and any other person including the consumers or consumer associations. The Commission shall issue order determining the fees and charges order after hearing the petitioner, the respondents and any other person permitted by the Commission.

(8) During pendency of the application, the applicant shall continue to bill the users on the basis of fees and charges approved by the Commission during previous control period and applicable as on 31.3.2014, for the period starting from 1.4.2014 till approval of the Fees and Charges by the Commission, in accordance with these Regulations.

(9) After expiry of the control period, the applicant shall continue to bill the users on the basis of fees and charges approved by the Commission and applicable as on 31.3.2019 for the period starting from 1.4.2019 till approval of fees and charges under the applicable regulations”

29. Performance linked incentive to RLDCs and NLDC:

(1) Recovery of incentive by the Regional Load Despatch Centre shall be based on the achievement of the Key Performance Indicators as specified in Appendix V or such other parameters as may be prescribed by the Commission.

(2) Each Regional Load Despatch Centre shall submit its actual performance against each of the key performance indicators to the Commission on annual basis as per the format specified in Appendix V.

(3) NLDC shall submit the details in regards to each Key Performance Indicator in the format specified in Appendix V along with the methodology for approval of the Commission.

(4) The Commission shall evaluate the overall performance of the RLDCs or NLDC, as the case may be, on the basis of weightage specified in Appendix V. The Commission, if required, may seek advice of the Central Electricity Authority for evaluation of the performance of system operator.

(5) The RLDCs or NLDC, as the case may be, shall be allowed to recover incentive of 7% of annual charges for aggregate performance level of 85% for three years commencing from 1.4.2014 and for aggregate performance level of 90% from 1.4.2017. The incentive shall increase by 1% of annual charges for every 5% increase of performance level above 90%: Provided that incentive shall be reduced by 1% of

annual charges on prorata basis for the every 3% decrease in performance level below 85%.

(6) The RLDCs or NLDC, as the case may be, shall compute the Key Performance Indicators on annual basis for the previous year ending on 31st March and submit to the Commission along with petitions for approval of the Commission as per Appendix V and Appendix VI of these Regulations:

Provided that the key performance indicators of previous year ending on 31st March shall be considered to recover incentive on each year and shall be trued up at the end of the control period.”

8. The Key Performance Indicators (KPIs) has been specified in Appendix V of the RLDC Fees and Charges Regulations. The Commission may also specify such other parameters.

9. In the light of the above provisions, we have considered the petitioner’s claim for PLI. The petitioner vide its affidavit dated 8.6.2016 has submitted that the Commission has notified the various performance indicators and their weightage for determination of fees and charges in the Fees and Charges Regulations and performance on these KPIs has been quantified to make it measurable. The petitioner has submitted KPI-wise details as under:

(a) **KPI-1: Reporting of Inter-connection metering error:** The meter readings are processed on weekly basis and an error could only be detected after processing the same and after going through the validation process. RLDCs are reporting the meter errors on weekly basis which are made available on the concerned web-sites as per the provisions of the Regulations. Therefore, in a year, the possible nos. of reports are 52 which have been converted to percentage based on the actual reporting. Percentage performance has been proportionately converted to marks scored.

(b) KPI-2 Reporting of Grid Incidents and Grid Disturbance: The grid incidents and grid disturbances are compiled with on monthly basis and the same are sent to NLDC for further compilation on National basis for further reporting to the Commission on consolidated basis. As the reporting on grid incidences and grid disturbances is generated on monthly basis, twelve target reports to be generated have been considered to be 12 .Percentage performance has been measured based on the actual number of reports generated, which has been proportionately converted to marks scored.

(c) KPI-3: Average processing time of shut down request (RLDC/NLDC): The shutdown process uniform across all the RLDCs has been discussed and approved at RPCs level. Time allowed to NLDC for approval of the shut-down requests is 26 Hours and 50 Hours (including NLDC Time) respectively. This methodology has been devised considering primarily the planned outages approved in the monthly OCC meetings of RPCs which are processed by RLDCs on D-3 basis (3-day ahead of actual day of outage) based on confirmation from the shutdown requesting agency and the then prevailing grid conditions. RLDCs after processing the shut down requests at regional level, forward the list to NLDC for impact assessment at national level. After clearance from NLDC, the final list of cleared shutdown requests are sent by respective RLDCs to the requesting agencies on D-1 (i.e. one day ahead of the proposed date of outage). As per the formula used for calculating KPI score for this parameter, performance would be considered as 100%, if the time taken for processing shut down requests is less than the prescribed time i.e. 26 hours for

NLDC and 50 hours RLDCs. If the time taken is more than the prescribed time, then the performance would come down in the same proportion i.e. if the time taken in processing the request is more than 5% of the prescribed time, then the percentage performance would be 95%. Percentage performance has been proportionately converted to marks scored.

(d) **KPI-4: Availability of SCADA; KPI-8: Availability of website; KPI 9- Availability of Standby Power Supply:** Month-wise percentage availability has been calculated and percentage average availability of twelve (12) months has been proportionately converted to marks scored.

(e) **KPI-5: Voltage Deviation Index (VDI); KPI-6: Frequency Deviation Index (FDI); KPI 7- Reporting of System Reliability:** The deviation indices are being reported on daily basis for the critical nodes along with weekly and monthly as per the provisions of the Regulation. The possible number of reports which could be generated (365 daily, 52 weekly and 12 monthly) have been converted to KPI scores based on the actual reporting.

(f) **KPI 10: Variance of Capital expenditure; KPI 11: Variance of Non-Capital expenditure:** The petitioner has submitted that the figures (capital and non-capital) mentioned in the petition for the control period 2014-19 have been considered as targets and the figures as per the balance sheet have been taken as actual performance. Limit of upto 10% variation has been considered for claiming 100% performance and for any additional 3% variation beyond initial 10%, performance

shall decrease by 1% in line with the methodology of the incentive calculation prescribed in Regulation 29 (5) of the Fees and Charges Regulations. Percentage performance has been proportionately converted to marks scored.

(g) **KPI 12: Percentage of certified employees:** The target percentage of the certification is 85% of the eligible candidates has been assumed for calculating the KPI score. The actual achievement has been calculated against the target and the same has been converted to the KPI score.

10. The parameter-wise submissions made by the petitioner have been examined and dealt with in the succeeding paragraphs.

A. Inter-connection meter error (Parameter 1)

11. The total weightage given for this parameter is 10. The petitioner has submitted the details as under:

Performance during FY 2014-15(In %) A* =	100
Marks scored (In proportion of the percentage performance above)	10
*Formula for performance calculation	[No. of weekly reports issued /52 (Total no. of Weeks)]*100

12. The petitioner has submitted that as per Regulation 2.3.2 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 (Grid Code), RLDCs are responsible for meter data processing. Accordingly, problems related to meters including those installed at inter-regional/inter-national tie points are reported by RLDCs concerned to the utilities for corrective action. The petitioner vide Record of Proceedings for the hearing dated 26.5.2016 was directed to explain as to

whether it intimated concerned utilities regarding inter-connection meter error covered under KPI-1, If yes, provide details. The petitioner vide its affidavit dated 8.6.2016 has submitted that as per Regulation 6.4.22 of the Grid Code, computations on metering data are to be made available to the regional entities for checking/verifications for a period of 15 days. Accordingly, the data on inter-connection meter error is made available in Public Domain on regular basis for checking/verifications of regional entities. The petitioner has submitted that information regarding inter-connection meter error is published on NRLDC website, i.e. <http://erlhc.org/Commercial/ER/semdata/Week%20020516%20to%20080516> on a weekly basis. The petitioner has submitted that the discrepancy reports are discussed in detail in the different forum at RPC level.

13. We have considered the submission of the petitioner. Since, the petitioner has complied with the provisions of the Regulation 6.4.22 of the Grid Code, the claims of the petitioner for weightage factor for reporting of inter-connection meter error is allowed for the purpose of incentive.

B. Reporting of grid incidents and grid disturbances (Parameter 2)

14. The petitioner has submitted that as against the total weightage of 10 for parameter reporting of grid incidents and grid disturbance, actual incidents of such events during the financial year 2014-15 as under:

Grid Incidents and Grid Disturbance for FY 2014-15			
Category	Count (Nos.)	Recovery period	Loss of Energy (MUs)
GI-1	-	-	-
GI-1	-	-	-
GD-1	62	65.348	11.68
GD-2	-	-	-

GD-3	-	-	-
GD-4	-	-	-
GD-5	-	-	-
All	62	65.348	11.68

15. The petitioner has submitted performance-wise details as under:

Performance during FY 2014-15 (In percentage) * =	100
Marks scored (In proportion of the percentage performance above)	10
*Formula for performance calculation :	(No. of monthly reports issued /12)*100

16. The petitioner was directed to provide the details of each incident of grid disturbance reported to the Commission. The petitioner, vide its affidavit dated 8.6.2016, has submitted that the incidences of grid disturbance/ incidences are being reported by the Regional Load Despatch Centres to National Load Despatch Centre on a monthly basis which are thereafter compiled and are independently verified by National Load Despatch Centre and reported to the Commission on a monthly basis as a part of monthly operational report issued by National Load Despatch Centre in accordance with the provisions of the Grid Code. The petitioner has submitted the details of the report for the Financial Year 2014-15 as under:

S. No.	Month	Date of Reporting
1	April 2014	23rd May 2014
2	May 2014	24th June 2014
3	June 2014	23rd July 2014
4	July 2014	26 th August 2014
5	August 2014	26th September 2014
6	September 2014	23rd October 2014
7	October 2014	21st November 2014
8	November 2014	23rd December 2014
9	December 2014	22nd January 2015
10	January 2015	26th February 2015

11	February 2015	23rd March 2015
12	March 2015	23rd April 2015

17. We have considered the submission of the petitioner. Perusal of the above reveals that the petitioner is reporting incident of grid disturbance each month to the Commission. As per our direction, the petitioner has placed on record the details of reporting to the Commission. Accordingly, the claims of the petitioner for weightage factor for reporting of grid incidents and grid disturbance is allowed for the purpose of incentive.

C. Average processing time of shut down request (Parameter 3)

18. The total weightage for the parameter “average processing time of shut down request is 10. The petitioner has submitted average processing time of shut down request during the financial year 2014-15 as under:

S.No.	Month	Total No of shutdown request in a month (B)	Total time (hrs) taken to approve the shutdown in a month(A)	Total time(hrs) taken to approve the shutdown in a month/Total No of shutdown requests in a month(C=A/B)
1	Apr'14	74	3051	41.23
2	May'14	73	3108	42.58
3	June'14	33	1349	40.88
4	July'14	39	1633	41.87
5	Aug'14	44	1771	40.25
6	Sep'14	61	2630	43.11
7	Oct'14	50	2042	40.84
8	Nov'14	80	3327	41.59
9	Dec'14	114	4838	42.44
10	Jan'15	99	4147	41.89
11	Feb'15	75	3199	42.65
12	Mar'15	61	2569	42.11

19. The petitioner has further submitted that the total time allowed to NLDC and RLDC for approval of the shutdown requests are 26 hours and 50 (including NLDC Time) hours respectively.

For NRLDC

Performance during FY 2014-15 (In percentage)	100
Marks scored (In proportion of the percentage performance above)	10
* Formula for performance calculation	$\text{IF}[(A-B*50)>0,(1-(A-B*50)/(B*50))*100,100]$

20. The petitioner was directed to explain the basis of considering 26 hours allowed to NLDC and 50 hours (including NLDC time) allowed to RLDC for approval of the shutdown requests. The petitioner vide its affidavit dated 8.6.2016 has submitted that the procedure to streamline the process of transmission outage coordination between SLDCs, RLDCs, NLDC, RPCs and Indenting Agencies was developed by NLDC in 2015 and approved in OCC fora. As per the approved process, RLDC approves the shutdown requests of inter-State transmission lines and NLDC approves the shut down requests for inter-regional and all 765 KV transmission lines. Therefore, RLDC consults NLDC for approval of outage requests. Relevant extracts of NRPC approved procedure is as under:

“7.1. Request for outages which are approved by OCC must be sent by the indenting agency of the transmission asset at least 3 days in advance to respective RLDC by 1000 hours as per Format II.(For example, if an outage is to be availed on say 10th of the month, the indenting agency would forward such requests to the concerned RLDC on 7th of the month by 1000 hours.)

7.3. Approval of Outage where Approving Authority is NLDC:

7.3.1. NRLDC shall forward the request for shutdown along with their consent and observation as per Format-III to NLDC/other concerned RLDCs with clear observations regarding possible constraints / contingency plan and consent including study results by

1000 hours of D-2 day. Other concerned RLDCs would forward their observations/ consent/reservations by 1600 hours of D-2.

7.3.2. NLDC shall approve the outage along with the clear precautions/measures to be observed during the shutdown and inform all concerned RLDCs.

7.3.3. The proposed outages shall be reviewed on day ahead basis depending upon the system conditions and the outages shall be approved/refused latest by 1200 Hrs of D-1 day. A suggested format for approval/refusal of outage is enclosed as Format IV.”

21. The petitioner has submitted that as per the above procedure, total time allowed for approval of the shutdown requests to RLDCs including NLDC is 50 hours (1000 hrs of D-3 to 1200 hrs of D-1). Out of these 50 hours, time allowed to NLDC is 26 hours (1000 hrs of D-2 to 1200 hrs of D-1).

22. We have considered the submission of the petitioner. As per Appendix VI of the Fees and Charges Regulations, weightage for average processing time of shut down request is considered as 10 out of 10.

D. Availability of SCADA (Parameter 4)

23. The total weightage for this parameter is 10. The petitioner has submitted average processing time of shut down requests during the financial year 2014-15 as under:

S.No.	Month	% Availability
1	Apr'14	100
2	May'14	100
3	June'14	100
4	July'14	99.90
5	Aug'14	100
6	Sep'14	100
7	Oct'14	100
8	Nov'14	100
9	Dec'14	100
10	Jan'15	100
11	Feb'15	99.9

12	Mar'15	100
	Average of 12 months	99.99

Performance during FY 2014-15*	100
Marks scored (In proportion of the %age performance above)	10.00
* Average of 12 months	

24. We have considered the submissions of the petitioner. We have worked out the average of 12 months as $(100+100+100+100+100+100+100+100+100+99.72+100+100)/12=99.99$.

Accordingly, the marks scored for availability of SCADA has been allowed as 9.99.

E. Voltage Deviation Index (Parameter 5)

25. The total weightage for the parameter Voltage Deviation Index (VDI) is 10. The petitioner has submitted Voltage Deviation Index (VDI) as under:

Name of the Region: NLDC				
S. No.	Name of the 400/765 kV substation	Intimation to utilities through Daily reports for corrective action or not	Intimation to utilities through weekly reports for corrective action or not	Intimation to utilities through monthly reports for corrective action or not
A	B	C	D	E
1	Ranchi (New)	Yes	-	-
2	Jamshedpur	Yes	-	Yes
3	Muzaffarpur	Yes	-	-
4	Biharshariff	Yes	Yes	-
5	Bingaguri	Yes	Yes	-
6	Jeerat	Yes	-	Yes
7	Rourkela	Yes	Yes	-
8.	Jeypore	Yes	Yes	Yes
9.	Bokaro-A	Yes	-	-
10.	Maithon	Yes	Yes	-

11	Durgapur	-	Yes	Yes
12	Farakka	-	-	Yes
13	Subhasgram	-	-	Yes
14	Purnea	-	-	Yes
15	Rengali	-	-	Yes

26. According to the petitioner, VDIs of important sub-stations are being calculated and reported on daily basis and is also being hosted on websites by RLDCs which is thereafter compiled at NLDC and circulated internally. Similarly, RLDCs are also calculating and reporting VDI on their websites as part of weekly reports. The petitioner has further submitted that NLDC independently calculates and reports VDIs of important sub-station on a monthly basis which is available on website as part of monthly report.

27. The petitioner has submitted that persistent problems of low/high voltage are identified in the quarterly operational feedback submitted to CTU and CEA.

Performance during FY 2014-15*	100
Marks scored (In proportion of the percentage performance above)	10
* Formula for performance calculation	$\frac{[(\text{No. of daily reports issued (to be derived from column C)} / 364 (\text{Total no. of days in FY 2014-15})) * 100] + [\text{No. of weekly reports issued (to be derived from column D)} / 52 (\text{Total no. of weeks in FY 2014-15})) * 100] + (\text{No. of monthly reports issued (to be derived from column E)} / 12) * 100]}{3}$

28. The petitioner was directed to clarify whether the petitioner had intimated to concerned utilities for corrective action, if any, with regard to voltage deviation index. The petitioner vide its affidavit dated 8.6.2016 has submitted that Clause 2.2.4.6 of the NLDC Operating Procedure, 2015 provides the corrective actions to be taken in the

event of voltage going high and low. The relevant extract of the Clause 2.2.4.6 of the NLDC Operating Procedure, 2015 is extracted as under:

“2.2.4.6. The following corrective measures shall be taken in the event of voltage going high / low:-

i) In the event of high voltage (when the bus voltage going above 410 kV), following specific steps would be taken by the respective grid substation/generating station at their own, unless specifically mentioned by NLDC/RLDC/SLDCs.

- a. The bus reactor is switched in
- b. The manually switchable capacitor banks is taken out
- c. The switchable line/tertiary reactor or convertible line reactor (if the line kept open for High voltage) wherever possible are taken in. Optimize the filter banks at HVDC terminal
- e. All the generating units on bar shall absorb reactive power within the capability curve
- f. Operate synchronous condensers wherever available for VAR absorption
- g. Operate hydro generator/gas turbine as synchronous condenser for VAR absorption wherever such facilities are available
- h. Bring down power flow on HVDC terminals so that loading on parallel EHVAC network goes up, resulting in drop in voltage.
- i. Open lightly loaded lines in consultation with RLDC/SLDC for ensuring security of the balanced network. To the extent possible, it must be ensured that no loop of transmission lines is broken due to opening of lines to control the high voltage.

ii) In the event of low voltage (when the bus voltage going down below 390kV), following specific steps would be taken by the respective grid substation/generating station at their own, unless specifically mentioned by NLDC/RLDC/SLDCs.

- a. Close the lines which were opened to control high voltage in consultation with RLDC/SLDC.
- b. The bus reactor is switched out
- c. The manually switchable capacitor banks are switched in.
- d. The switchable line/tertiary reactor are taken out
- e. Optimize the filter banks at HVDC terminal

- f. All the generating units on bar shall generate reactive power within capability curve.
- g. Operate synchronous condenser for VAR generation
- h. Operate hydro generator/gas turbine as synchronous condenser for VAR generation wherever such facilities are available
- i. Increase power flow on HVDC terminals so that loading on parallel Extra High Voltage (EHV) network goes down resulting in rise in voltage.”

29. The petitioner has submitted that corrective actions are being taken in Real Time Grid Conditions, by NLDC at 765 kV and Inter-regional level by opening /closing shunt reactors, transmission lines, etc. and by RLDCs for other Inter-State system. The petitioner has submitted that for voltage deviations taking place in/resulting from intra-State system, RLDCs write regularly to the constituents and also discuss in the OCC meetings. The petitioner has placed on the record the extracts from OCC meeting of RPCs, sample letters from RLDCs stating sustained voltage deviation and suggested corrective actions. The petitioner has submitted that apart from these, persistent high voltage and low voltage are being reported in the NLDC operational feedback every quarter. Link for NLDC operational feedback for the quarter January 2016 to March 2016 is http://posoco.in/WebsiteData/Documents/OperationalFeedback/NLDC%20Operational%20Feedback_April_2016_Q4.pdf. According to the petitioner, nodes experiencing low/high voltage are listed on page Nos. 26-27, 43-46, 63-64,80-83,103-110 in the January 2016 to March 2016 operational feedback and this information was discussed in Standing Committee on Power System Planning of different regions with all the

stakeholders. The petitioner has submitted that corrective actions are also discussed in Standing Committee Meetings and OCC Meetings.

30. We have considered the submission of the petitioner. As per Regulation 29 (6) of the Fees and Charges Regulations, RLDCs or NLDC are required to compute the Key Performance Indicators on annual basis for the previous year ending on 31st March and are required to submit the same to the Commission for approval. Accordingly, the petitioner has computed the Key Performance Indicators on annual basis. Accordingly, as per Appendix VI of the Fees and Charges Regulations, the weightage for Voltage Deviation Index (VDI) is allowed and considered as 10 out of 10.

F. Frequency Deviation Index (Parameter 6)

31. The total weightage for the parameter Frequency Deviation Index (FDI) is 10.

The petitioner has submitted FDI during 2014-15 as under:

S. No.	Month	Intimation to utilities through Daily reports for corrective action or not	Intimation to utilities through weekly reports for corrective action or not	Intimation to utilities through monthly reports for corrective action or not
A	B	C	D	E
1	Apr'14	Yes	Yes	Yes
2	May'14	Yes	Yes	Yes
3	June'14	Yes	Yes	Yes
4	July'14	Yes	Yes	Yes
5	Aug'14	Yes	Yes	Yes
6	Sep'14	Yes	Yes	Yes
7	Oct'14	Yes	Yes	Yes
8	Nov'14	Yes	Yes	Yes
9	Dec'14	Yes	Yes	Yes
10	Jan'15	Yes	Yes	Yes
11	Feb'15	Yes	Yes	Yes

12	Mar'15	Yes	Yes	Yes
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Performance during FY 2014-15*	100
Marks scored (In proportion of the percentage performance above)	10
* Formula for performance calculation	$\left(\left(\frac{\text{No. of daily reports issued (to be derived from column C)}}{364 (\text{Total no. of days in FY 2014-15})} \times 100 \right) + \left(\frac{\text{No. of weekly reports issued (to be derived from column D)}}{52 (\text{Total no. of weeks in FY 2014-15})} \times 100 \right) + \left(\frac{\text{No. of monthly reports issued (to be derived from column E)}}{12} \times 100 \right) \right) / 3$

32. We have considered the submission of the petitioner. FDIs submitted by the petitioner are found to be in order. Accordingly, weightage for FDI has been allowed as 10 out of 10 as per Appendix VI of the Fees and Charges Regulations.

G. Reporting of System Reliability (Parameter 7)

33. The total weightage for this parameter Reporting of System Reliability (RSR) is 10. The petitioner has submitted the following report of system reliability:

(a) Reporting of (N-1) violations (To be reported to CERC)

S.No.	Month	Intimation to utilities through Daily reports for corrective action or not	Intimation to utilities through weekly reports for corrective action or not	Intimation to utilities through monthly reports for corrective action or not
A	B	C	D	E
1	Apr'14	Yes	Yes	Yes
2	May'14	Yes	Yes	Yes
3	June'14	Yes	Yes	Yes
4	July'14	Yes	Yes	Yes
5	Aug'14	Yes	Yes	Yes
6	Sep'14	Yes	Yes	Yes
7	Oct'14	Yes	Yes	Yes
8	Nov'14	Yes	Yes	Yes
9	Dec'14	Yes	Yes	Yes

10	Jan'15	Yes	Yes	Yes
11	Feb'15	Yes	Yes	Yes
12	Mar'15	Yes	Yes	Yes

X*	100
*Formula	(((No.of daily reports issued (to be derived from column C)/364(Total no. of days in FY 2014-15))*100)+(No. of weekly reports issued(to be derived from column D)/52 (Total no. of weeks in FY 2014-15))*100)+(No. of monthly reports issued (to be derived from column E)/12)*100))/3

(b) Reporting of ATC violations (To be reported to CERC)

S.No.	Month	Intimation to utilities through Daily reports for corrective action or not	Intimation to utilities through weekly reports for corrective action or not	Intimation to utilities through monthly reports for corrective action or not
A	B	C	D	E
1	Apr'14	Yes	Yes	Yes
2	May'14	Yes	Yes	Yes
3	June'14	Yes	Yes	Yes
4	July'14	Yes	Yes	Yes
5	Aug'14	Yes	Yes	Yes
6	Sep'14	Yes	Yes	Yes
7	Oct'14	Yes	Yes	Yes
8	Nov'14	Yes	Yes	Yes
9	Dec'14	Yes	Yes	Yes
10	Jan'15	Yes	Yes	Yes
11	Feb'15	Yes	Yes	Yes
12	Mar'15	Yes	Yes	Yes

Y*=	100
*Formula	(((No. of daily reports issued (to be derived from column C)/364(Total no.of days in FY 2014-15))*100)+(No.of weekly reports issued (to be derived from column D)/52 (Total no. of weeks in FY 2014-15))*100)+(No. of monthly reports issued (to be derived from column E)/12)*100))/3

(c) Reporting of angle difference between important buses (To be reported to CERC)

S.No.	Month	Intimation to utilities through Daily reports for corrective action or not	Intimation to utilities through weekly reports for corrective action or not	Intimation to utilities through monthly reports for corrective action or not
A	B	C	D	E
1	Apr'14	NA	NA	NA
2	May'14	NA	NA	NA
3	June'14	NA	NA	NA
4	July'14	NA	NA	NA
5	Aug'14	NA	NA	NA
6	Sep'14	NA	NA	NA
7	Oct'14	NA	NA	NA
8	Nov'14	NA	NA	NA
9	Dec'14	NA	NA	NA
10	Jan'15	NA	NA	NA
11	Feb'15	NA	NA	NA
12	Mar'15	NA	NA	NA

Z*=	0
*Formula	(((No. of daily reports issued (to be derived from column C)/364(Total no. of days in FY 2014-15))*100)+(No. of weekly reports issued(to be derived from column D)/52 (Total no. of weeks in FY 2014-15))*100)+(No. of monthly reports issued (to be derived from column E)/12)*100))/3

Performance during FY 2014-15*=	66.67
Marks scored (In proportion of the percentage performance above)	6.67
Formula	(X+Y+Z)/3

34. The petitioner was directed to submit the reasons regarding non-applicability of reporting of angle difference between important buses (to be reported to CERC) with

regard to KPI-7 (Reporting of system reliability) mentioned at Annexure-VII of the petition. The petitioner vide its affidavit dated 8.6.2016 has submitted that in the petition 'Not Applicable' has been mentioned by NRLDC and ERLDC and in this essentially mean that the respective RLDCs have not monitored the angular difference between adjacent buses in 2014-15 period. Therefore, the score for "Reporting of Angle difference between adjacent buses" is taken as zero (0) for the period 2014-15. Due to this score for KPI No-7 (Reporting of System Reliability) has come out to be 6.67 out of 10. The petitioner has submitted that angular difference between important buses observed through PMUs is being monitored and reported by NLDC and RLDCs from 2015-16 onwards.

35. We have considered the submission of the petitioner. Reporting of System Reliability is being done by the petitioner as per Appendix VI of the Fees and Charges Regulations. Accordingly, weightage claimed for reporting system reliability is allowed as 6.67 out of 10.

H. Availability of website (Parameter 8)

36. The total weightage for the parameter "availability of website" is 10. The petitioner has submitted the percentage of availability of website as under:

S. No.	Month	% Availability
1	Apr'14	100
2	May'14	100
3	June'14	100
4	July'14	100
5	Aug'14	100
6	Sep'14	100
7	Oct'14	99.953
8	Nov'14	99.972
9	Dec'14	100
10	Jan'15	100

11	Feb'15	99.955
12	Mar'15	100

Performance during FY 2014-15*	99.99
Marks scored (In proportion of the percentage performance above)	10.00
* Average of 12 months	

37. We have considered the submission of the petitioner. The petitioner is reporting availability of website as per Appendix VI of the Fees and Charges Regulations. Accordingly, the weightage claimed for availability of website is allowed as 9.99 out of 10.

I. Availability of Standby power supply (Parameter 9)

38. The total weightage for the parameter “availability of standby power” is 5. The petitioner has submitted availability of standby power supply as under:

Performance during FY 2014-15*	100
Marks scored (In proportion of the percentage performance above)	5
* Average of 12 months	

39. The petitioner has further submitted that availability of backup power supply depends on the sub systems, namely (i) Availability of UPS/Battery backup, and (ii) Availability of DG set. According to the petitioner, in case main power supply fails and the system does not get any power supply, the duration shall be considered as back supply failure.

40. We have considered the submission of the petitioner. The petitioner has claimed availability of standby power supply as per Appendix VI of the Fees and Charges Regulations. Accordingly, weightage claimed for availability of Standby power supply is allowed and considered as 5 out of 5.

J. Variance of capital expenditure (Parameter 10)

41. The total weightage for the parameter “Variance of capital expenditure” is 5. The petitioner has submitted the details of Variance of capital expenditure as under:

(Rs. in lakh)

Capital Expenditure funded from LDC fund but not considered for fee and charges (A)	Actual Expenditure incurred (B)	% Variation $C = ((A-B)/A) \times 100$
294.93	294.93	0.0

42. The petitioner has submitted that the amount considered in the column A above is as per the Fees and Charges Regulations for the control period 2014-19. The petitioner has submitted that in Column B, value as per balance sheet for the year 2014-15 has been considered.

Performance during FY 2014-15*	100
*Formula	IF(C>10,100-(C-10)/3,100)#
Marks Scored (in proportion of the percentage performance above)	5
*Average of 12 months	
# Up to 10% variation, performance is proposed to be considered 100% and for any additional 3% variation beyond initial 10%, performance shall be decrease by 1% in line with the methodology of the incentive calculation prescribed in Regulation 29(5) of the Fees and Charges Regulations.	

43. The petitioner was directed to review the formulae proposed regarding KPI 10 since it is not considering the absolute value of % variation. The petitioner vide its affidavit dated 8.6.2016 has submitted that limit of upto 10% variation has been considered for claiming 100% performance and for any additional 3% variation beyond initial 10%, performance shall decrease by 1% in line with the methodology of the incentive calculation prescribed in the Regulation 29(5) of the Fees and Charges Regulations. The petitioner has submitted that the intent of the formula is that 10% variation limit for claiming 100% performance is on both sides i.e. positive and negative. Similarly, for variation of more than 10%, performance would vary in the same manner whether the variation in CAPEX utilization is positive or negative. Therefore, value of variation should be absolute value only. Accordingly, formula for %age variation can be read as “% Variation $C = \text{ABS} ((A-B)/A) * 100$ ”.

44. We have considered the submission of the petitioner. The weightage claimed for variance of capital expenditure is provisionally considered as 5 out of 5 in terms of Appendix VI of the Fees and Charges Regulations.

K. Variance of Non-Capital expenditure (Parameter 11)

45. The total weightage for the parameter “variance of non-capital expenditure” is 5. The petitioner has submitted the details of variance of non-capital expenditure as under:

(Rs.in lakh)

Expenditure allowed by CERC (A)	Actual Expenditure incurred (B)	% Variation $C = ((A-B)/A) * 100$
2173.27	2890.67	33.01

In the non-capital expenditure, HR Expenses, O&M Expenses and Depreciation have been considered. In column A, figures as per the Fees and Charges for the control period 2014-19 have been considered. In column B, value as per balance sheet for the year 2014-15 has been considered.

Performance during FY 2014-15*	92.33
Formula	IF(C>10,100-(C-10)/3,100)#
Marks Scored (in proportion of the percentage performance above)	4.62
*Average of 12 months	
# Up to 10% variation, performance is proposed to be considered 100% and for any additional 3% variation beyond initial 10%, performance shall be decrease by 1% in line with the methodology of the incentive calculation prescribed in the regulation 29(5) of Fees and Charges Regulations.	

46. We have considered the submission of the petitioner. The weightage claimed for variance of non-capital expenditure is allowed as 4.62 out of 5 in terms of Appendix VI of the Fees and Charges Regulations.

L. Percentage of certified employees (Parameter 12)

47. The total weightage for the parameter “variance of percentage of certified employees” is 5. The petitioner has submitted the details of variance of percentage of certified employees as under:

No. of Employees for Certification as on 31.3.2015 (A)	No. of Employees for Certification as on 31.3.2015 (B)	Percentage of Employees Certified as on 31.3.2015 (C=B/A*100)
42	38	90.48

Performance during FY 2014-15*	100
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*Formula	IF(C>10,100-(C-10)/3,100)#
Marks Scored (in proportion of the percentage performance above)	5
*Average of 12 months	
# Up to 85% certification, performance is proposed to be considered 100% and for certification below 85%, performance shall decrease by 1% for every 3% decrease in the certification in line with the methodology of the incentive calculation prescribed in Regulation 29(5) of the Fees and Charges Regulations.	

48. We have considered the submission of the petitioner. As per methodology of the incentive specified in Regulation 29(5) of the Fees and Charges Regulations, for certification upto 85%, performance would be considered 100% and for certification below 85%, performance would be decreased by 1% for every 3% decrease in the certification. Accordingly, the weightage for percentage of certified employees is considered as 5 out of 5 as per Appendix VI of the Fees and Charges Regulations.

49. The petitioner was directed to furnish the details of Productivity Linked Incentive (PLI) claims and in case of discrepancy with the figures in respective Fees and Charges, the reasons thereof. The petitioner vide its affidavit dated 8.6.2016 has submitted that provisions for performance linked incentive have been introduced for the first time in Fees and Charges Regulations. Since, Human Resource expenses for 2014-19 have been derived from the actual expenses of 2009-14 based on the methodology specified in the Regulations, certain amount has been reflected towards PRP in the petitions, which may not be considered by the Commission and in this regard separate petitions claiming the PRP in each year of the control period 2014-19 would be filed.

50. We have considered the submissions of the petitioner with regard to KPI. The following Key Performance Indicators are allowed as per the methodology specified in Appendix-V of the Fees and Charges Regulations:

S. No	Key Performance Indicators	Weight age	Claimed for FY2014-15	Allowed
1	Reporting of Inter-connection meter error	10	10	10
2	Reporting of Grid Incidents and Grid Disturbance	10	10	10
3	Average processing time of shut down request	10	10	10
4	Availability of SCADA System	10	10	9.99
5	Voltage Deviation Index (VDI)	10	10	10
6	Frequency Deviation Index (FDI)	10	10	10
7	Reporting of System Reliability	10	6.67	6.67
8	Availability of Website	10	9.99	9.99
9	Availability of Standby Supply	5	5	5
10	Variance of Capital expenditure	5	5	5
11	Variance of Non Capital expenditure	5	5	4.62
12	Percentage of Certified Employee	5	5	5
	Total	100	96.66	96.27

51. As per the above table, the petitioner has achieved 96.27% Key Performance Indicators out of 100%. Accordingly, the petitioner is allowed to recover incentive of 8.254% of annual charges for the financial year 2014-15.

52. Petition No. 56/MP/2016 is disposed of with the above.

Sd/-
(Dr. M.K Iyer)
Member

sd/-
(A.S.Bakshi)
Member

sd/-
(A.K.Singhal)
Member

sd/-
(Gireesh B.Pradhan)
Chairperson