

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Dr. Pramod Deo, Chairperson**
- 2. Shri Bhanu Bhushan, Member**
- 3. Shri R. Krishnamoorthy, Member**
- 4. Shri S. Jayaraman, Member**

**I.A.No. 16/2008 in  
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  
Vs

**..Petitioner**

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., Bhubaneshwar
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 Ajay Bagri, PTL
4. Ms. Rekha Negi, PTL

**ORDER  
(DATE OF HEARING: 11.11.2008)**

Through this interlocutory application, the petitioner, Powerlinks Transmission Limited, seeks approval of the incentive for the year 2006-07 based on equity approved by orders dated 28.4.2008 and 30.4.2008 in Petitions No. 147/2007

and 148/2007 respectively, while approving final transmission charges for the transmission lines given hereunder:

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

2. The Commission vide its order dated 8.7.2008 approved the incentive of Rs. 202.45 lakh and Rs. 65.24 lakh for the above noted intra-regional and inter-regional transmission lines respectively for the year 2006-07 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.

3. The petitioner had claimed incentive without considering equity corresponding to additional capitalization subsequent to the date of commercial operation, which was allowed by the said order dated 8.7.2008. However, in the meantime, the Commission had approved capital expenditure of Rs. 1321.58 lakh for the year 2006-07 in Petition No. 147/2007, out of which Rs.396.47 lakh was apportioned to equity. This additional equity was not considered for purpose of incentive in the said order dated 8.7.2008. Similarly, additional equity portion of Rs. 710.59 lakh against total additional capital expenditure of Rs.2368.48 lakh also approved in Petition No. 148/2007 was not considered while approving incentive.

4. The petitioner has claimed revised incentive amount of Rs. 272.49 lakh after accounting for additional equity of Rs. 1107.06 lakh approved by the Commission. This has been allowed in accordance with the 2004 regulations. While calculating incentive, average additional equity for the year 2006-07 has been considered. In case of inter-regional line, incentive has been allowed on 50% of the average additional equity for that year.

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

6. The incentive charged by the petitioner based on earlier orders shall be adjusted against final incentive for the year 2006-07 being approved in this order.

7. 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.

8. This order disposes of I.A. No. 16/2008 in Petition No.168/2007.

Sd/-	sd/-	sd/-	sd/
(S.JAYARAMAN)	(R.KRISHNAMOORTHY)	(BHANU BHUSHAN)	(DR. PRAMOD DEO)
MEMBER	MEMBER	MEMBER	CHAIRPERSON

New Delhi dated the 17<sup>th</sup> November 2008

# ANNEXURE `A`

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)	Average Equity as per orders dated 28.4.2008 and 30.4.2008 (4)	Period during the year (5)	Availability of the Transmission System Elements (6)	Availability eligible for incentive (7)	Incentive amount (6)= (4)*(5)*(7)
<b>A</b>	<b>Intra-regional AC lines</b>							
	Target availability for incentive							<b>98%</b>
1	400 kV D/C Siliguri Purnea Transmission Line	148/2007	1.9.2006	19852.52	0.58	99.78%	1.78%	206.14
2	400 kV D/C Purnea – Muzaffarpur Transmission Line							
3	220 kV D/C Muzaffarpur (PGCIL)- Muzaffarpur (BSEB) Transmission Line							
	<b>SUB-TOTAL (A)</b>			19852.52				<b>206.14</b>
<b>B</b>	<b>Inter Regional AC line</b>							
1	400 kV D/C Muzaffarpur-Gorakhpur Transmission Line (50%)	147/2007	1.9.2006	5924.28	0.58	99.92%	1.92%	66.35
	<b>SUB-TOTAL (B)</b>			<b>5924.28</b>				<b>66.35</b>
	<b>TOTAL INCENTIVE (Sub Total A+B)</b>			<b>25776.80</b>				<b>272.49</b>