

**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. 17/2008 in
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...
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

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
5. Shri V.K. Sodhi, HPGCL

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 149/2007 respectively, while approving final transmission charges for the transmission lines given hereunder:

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

2. The Commission vide its order dated 8.7.2008 approved incentive of Rs. 65.24 lakh and Rs.130.65 lakh for the above noted inter-regional and intra-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 for 400 kV D/C Muzaffarpur-Gorakhpur transmission line, 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 against total additional capital expenditure of Rs. 1998.38 lakh also approved in Petition No. 149/2007 for 400 kV D/C Gorkhpur-Lucknow transmission line and 400 kV D/C Bareilly-Mandola transmission line was not considered while approving incentive.

4. The petitioner has claimed revised incentive amount of Rs. 200.67 lakh after accounting for additional equity. 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 17. Accordingly, respondent No. 1 shall recover the incentive from respondents Nos. 2 to 17, which shall be shared by them in accordance with the 2004 regulations.

8. This order disposes of I.A. No. 17/2008 in Petition No.169/2007.

Sd/-	sd/-	sd/-	sd/-
(S.JAYARAMAN)	(R.KRISHNAMOORTHY)	(BHANU BHUSHAN)	(DR. PRAMOD DEO)
MEMBER	MEMBER	MEMBER	CHAIRPERSON
New Delhi dated the 17 th November 2008			

ANNEXURE `A`

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)	Average Equity as per orders dated 28.4.2008 and 30.4.2008 (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	5778.18	0.66667	99.49%	1.49%	57.40			
2	400 kV D/C Bareilly–Mandola Transmission Line		01.05.2006	5631.91	0.91667			76.92			
	SUB-TOTAL (A)			11410.09				134.32			
B	Inter Regional elements										
1	400 kV D/C Muzaffarpur-Gorakhpur Transmission Line (50%)	147/2007	01.09.2006	5924.28	0.58	99.92%	1.92%	66.35			
	SUB-TOTAL (B)			5924.28				66.35			
	TOTAL INCENTIVE (Sub Total A+B)			17334.37				200.67			