

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairman**
- 2. Shri K.N. Sinha, Member**

Petition No.42/2003

In the matter of

Implementation of Availability Based Tariff in North Eastern Region

North Eastern Load Despatch Centre

.....Petitioner

Vs

1. Assam State Electricity Board, Guwahati
2. Meghalya State Electricity Board, Shillong
3. Department of Power, Govt. of Tripura, Agartala
4. Power & Electricity Department, Govt. of Mizoram, Aizawal
5. Electricity Department, Govt. of Manipur, Imphal
6. Deptt. of Power, Govt. of Arunachal Pradesh, Itanagar
7. Department of Power, Govt. of Nagaland, Kohima
8. North Eastern Electric Power Corporation Limited, Shillong
9. National Hydro Electric Power Corporation Limited, Manipur
10. North Eastern Regional Electricity Board, Shillong **.....Respondents**

The following were present

1. Shri R. Sutredhar, NERLDC
2. Shri R.G. Yadav, ED, PGCIL
3. Shri V. Mittal, PGCIL
4. Shri Sunil Agrawal, PGCIL
5. Shri A Verghese, NEREB
6. Shri S.K. Agarwal, NHPC
7. Shri Parag P. Tripathi, Sr. Advocate, NEEPCO
8. Shri Sudhir Mishra, Advocate, NEEPCO
9. Shri Malcom D. Ray, ED(Comml.), NEEPCO
10. Shri Akhtar Hussein, Sr. Manager (E), NEEPCO
11. Shri Priya Ranjan Kumar, NEEPCO
12. Shri Pankaj Kumar Singh, Advocate, NEEPCO
13. Shri M.K. Adhikary, ASEB
14. Shri H.K. Sharma, ASEB
15. Shri M. Sanatan Singh, Manipur State
16. Shri C.D. Saio, Me.SEB
17. Shri LMF Sohtun, Me.SEB
18. Shri A. Verghese, NEREB

ORDER
(DATE OF HEARING : 22.9.2003)

In this petition a direction has been sought for implementation of ABT in the North Eastern Region with effect from 1.10.2003.

2. The petitioner has stated that the following steps have been taken in the Region for effective implementation of ABT :

- (a) Installation of special energy meters,
- (b) Commissioning of Unified Load Despatch Centre(ULDC),
- (c) Daily scheduling of generation/drawal , and
- (d) Issue of mock UI accounts by NEREB.

3. It has stated that a total of 144 Special Energy Meters are installed at 41 metering locations in the Region. The data from these Special Energy Meters is collected on weekly basis. It has further stated that the ULDC scheme was commissioned in the Region during May 2003. The scheme provides a reliable communication system and telemetered data receipt from the RTUs. The petitioner has stated that the daily generation drawal schedule is being prepared in accordance with the guidelines contained in the IEGC, which can be the basis for implementation of ABT. The petitioner is stated to have organised regional seminars on ABT on 23 and 24.6.2003 to familiarise the constituents of the Region on the subject. It has been further submitted that in its 52nd meeting of NERE Board held on 22.5.2003, the constituents had indicated their willingness for implementation of ABT in the Region, though no specific date for the purpose was decided. In the light of above noted facts,

the petitioner has sought a direction for implementation of ABT in the Region with effect from 1.10.2003.

4. The petition is listed after notice. The representatives of the respondents who have appeared before us have whole-heartedly supported implementation of ABT considering its merits. However, it has been submitted on their behalf that time is not actually ripe for its actual implementation for the reason that the demand of power in the Region does not commensurate with its availability from the generating stations in the Region. It has also been stated that the transmission network in the Region is not properly developed to ensure evacuation of power and this may lead to bottlenecks. Therefore, an apprehension has been expressed that the state utilities' liability to pay capacity charges on the basis of share- allocation under ABT regime, when they are unable to draw their share for the reasons beyond their control, may impose extra financial burden. Respondent No.8 (North Eastern Electric Power Corporation Limited) and Respondent No.9 (National Hydro Electric Power Corporation Limited) who own generating stations in the Region have, however, supported introduction of ABT.

5. The question of introduction of ABT has been engaging the attention of the authorities for a very long time. Initially, the Central Government had been deliberating on this issue. However, after establishment of the Commission under the Electricity Regulatory Commissions Act,1998, the matter was referred to the Commission for appropriate decision. The Commission after detailed deliberations and through the transparent process of hearing, in its order dated 4.1.2000 in Petition No.2/99 had prescribed a schedule for its implementation in four Regions, except the North Eastern

Region. After initial resistance on the part of some of the utilities, ABT has been successfully implemented in these regions with effect from the dates indicated below:

Western Region	1.7.2002
Northern Region	1.10.2002
Southern Region	1.1.2003
Eastern Region	1.4.2003

6. So far as North Eastern Region is concerned, the Commission had directed Respondent No.8 to file an appropriate petition. Though the petition for the purpose was filed in July 2000, yet the Commission did not decide on any specific date for its implementation in the Region, primarily for the reason that effective communication system was not in place in the Region, Therefore, the proposal to implement ABT in North Eastern Region was deferred till such time the Communication system, the implementation of which was in progress, was commissioned.

7. The petitioner has stated that necessary infrastructure, including the ULDC scheme for effective implementation of ABT is now available. Therefore, the main hindrance in the way of ABT implementation has been overcome. The experience of ABT in the other regions is just another success story. It has led to remarkable improvement in frequency profile in the regions concerned. The reports received have revealed that successful implementation of ABT has made it possible to operate the grid within the optimum operating band of 49.0 to 50.5 hz. Another obvious benefit flowing out of ABT implementation is the impetus it has given to trading in electricity. Considering the overall merits of the proposal, we feel that North Eastern Region should stand with other regions on this issue. Therefore, we feel that ABT should be implemented in this region also without any further loss of time. The reluctance on the part of state utilities in the North Eastern Region as we have already noted, is

primarily for the reason that they will not be able to utilise their share of power from the generating stations located in the region. In our opinion, such an apprehension should not be a cause for deferring ABT implementation in the Region, considering its merits. ABT regime may ultimately prove to be a boon for the people in the Region, since in case of their inability to utilise their share of power, they will get an opportunity of trading in electricity, ample opportunities for which exist in the present day liberalised regime. There is another reason for immediate implementation of ABT. North Eastern Regional grid is working in synchronism with Eastern Regional grid where ABT has been implemented with effect from 1.4.2003. Non-implementation of ABT in North Eastern Region is depriving the beneficiaries of this region from getting UI charges. Therefore, for technical reasons also, the immediate implementation of ABT in the Region is favoured.

8. Considering the totality of circumstances including commercial and technical reasons, we are satisfied of the merits of the proposal contained in the petition. We accordingly direct that ABT shall be implemented in the North-Eastern Region with effect from 1.11.2003. Meanwhile, the petitioner in consultation with Member Secretary NEREB and the other constituents of the Region shall carry out mock exercises and awareness programmes so that the ground for ABT is ready and there are no hick ups when ABT is actually implemented as per our directions.

9. Petition No.42/2003 stands disposed of.

**Sd/-
(K.N. SINHA)
MEMBER**

**Sd/-
(ASHOK BASU)
CHAIRMAN**

New Delhi dated the 1st October, 2003