

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. Dr. Pramod Deo, Chairperson
2. Shri R.Krishnamoorthy, Member
3. Shri S.Jayaraman, Member
4. Shri V.S.Verma, Member

Petition No.77/2008

In the matter of

Approval of incentive based on availability of transmission system for the year 2007-08 for North-Eastern Region.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon

..Petitioner

Vs

1. Assam State Electricity Board, Guwahati
2. Meghalaya State Electricity Board, Shillong
3. Government of Arunachal Pradesh, Itanagar
4. Power & Electricity Department, Govt. of Mizoram, Aizwal
5. Electricity Department, Govt. of Manipur, Imphal
6. Department of Power, Govt. of Nagaland, Kohima
7. Tripura State Electricity Corporation Ltd., Agartala

respondents

The following were present:

1. Shri U.K.Tyagi, PGCIL
2. Shri B.C.Pant, PGCIL
3. Shri S.S.Raju, PGCIL
4. Shri M.M.Mondal, PGCIL
5. Shri R.Prasad, PGCIL

**ORDER
(DATE OF HEARING: 28.5.2009)**

The petitioner seeks approval for incentive for the year 2007-08 for its transmission system in North-Eastern Region, in terms of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2004 (hereinafter referred to as "the regulations").

2. Regulation 51 of the regulations provides that:

51. Target Availability for recovery of full transmission charges:

(1) AC System: 98%

(2) HVDC bio-pole links and HVDC back-to-back stations: 95%

3. Clause (1) of regulation 60 of the regulations, as amended, inter-alia provides that,-
- (1) The transmission licensee shall be entitled to incentive @ 1% of equity for each percentage point of increase in annual availability beyond the target availability prescribed under regulation 51, in accordance with the following formula:

$$\text{Incentive} = \text{Equity} \times [\text{Annual availability achieved} - \text{Target availability}] / 100$$

- (2) Incentive shall be shared by the long-term customers in the ratio of their average allotted transmission capacity for the year.

4. Member-Secretary, NERPC under his letter dated 27.5.2009 has certified the availability of intra-regional system and inter-regional transmission line during 2007-08.

The necessary details in this regard are as under:

S.No.	Assets	Availability
1.	Intra-Regional AC system AC Transmission System of NER	99.466%
2.	Inter-Regional AC system Bongaigaon- New Siliguri transmission line	99.4248%

5. The petitioner has claimed incentive as under based on the availability certified by Member-Secretary, NERPC.

SI. No	Assets	(Rs. in lakh)	
		Pro rata equity	Incentive
1	Intra-regional AC system AC Transmission System of NER	50038.36	733.56
2	Inter-Regional AC system Bongaigaon- New Siliguri transmission line	3525.30	50.23
	Total	53563.66	783.79

6. None of the respondents has filed any reply.

7. Incentive has been worked out considering the availability as certified by Member-Secretary, NERPC. Based on the above, the petitioner shall be entitled as under:

SI. No	Assets	(Rs. in lakh)	
		Pro rata equity	Incentive
1	Intra-regional AC system AC Transmission System of NER	50029.59	733.43
2	Inter-Regional AC system Bongaigaon- New Siliguri transmission line	3525.30	50.23
	Total	53554.89	783.66

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

9. In case of the assets where additional capital expenditure for the year 2007-08 has been approved, average equity has been considered for computation of incentive.

10. Incentive allowed is Rs. 0.13 lakh in less of the incentive claimed by the petitioner. This is for the reason that equity for the transmission system associated with Ranganadi HEP (Ranganadi-Balipara and Ranganadi-Ziro transmission lines) claimed by the petitioner and considered by us is different.

11. The Commission in its order dated 9.7.2009, had provisionally allowed incentive of 80% of that claimed by the petitioner in this petition. The provisional incentive charges by the petitioner shall be adjusted against final incentive for the year 2007-08 approved by us in this order.

12. This order disposes of Petition No.77/2008.

(V.S.VERMA)
MEMBER

(S.JAYARAMAN)
MEMBER

(R.KRISHNAMOORTHY)
MEMBER

(DR PRAMOD DEO)
CHAIRPERSON

New Delhi dated the 7th September 2009

ANNEXURE

Petition No. 77/2008									
Name of the Company: PGCIL									
Name of the Region: North Eastern									
Incentive for the year 2007-08									
NER Transmission System									
Name of the Transmission System/ Line (1)									(Rs. in lakh)
		Petition No. (2)	CERC Tariff order dated (3)	D.O.C.O. (4)	Period during the year (Year) (5)	Equity as per Tariff Order (6)	Pro-rata Equity for the year 2006-07 (7)	Availability of the Transmission System Elements (8)	Availability eligible for incentive (9)
A	Intra Regional AC System								
	Target availability for incentive (AC System)								
1	ATS of Kopili - Khandong	90/2006	21.8.2009	83 to 89	1.00	2767.93	2767.93	99.466%	1.466%
2	ATS of Loktak HEP	83/2006	7.9.2009	-do-	1.00	425.43	425.43	99.466%	1.466%
3	ATS of Doyang HEP (Doyang -- Dimapur - Imphal)	89/2006	21.8.2009	1.4.1997	1.00	1033.09	1033.09	99.466%	1.466%
4	ATS of Doyang HEP (Misa - Dimapur)	89/2006	21.8.2009	1.7.1995	1.00	3005.41	3005.41	99.466%	1.466%
5	ATS of Agartala GBPP (Agartala -- Agartala)	86/2006	21.8.2009	1.4.1998	1.00	202.00	202.00	99.466%	1.466%
6	ATS of Agartala GBPP (RC Nagar -- Kumarghat)	86/2006	21.8.2009	1.1.2001	1.00	359.45	359.45	99.466%	1.466%
7	ATS of Kathalguri GBPP (Kathalguri -- Mariani)	87/2006	7.9.2009	1.8.1995	1.00	4109.69	4109.69	99.466%	1.466%
8	ATS of Kathalguri GBPP (Misa -- Mariani & Misa--Kathalguri)	87/2006	7.9.2009	1.4.1998	1.00	9138.56	9138.56	99.466%	1.466%
9	ATS of Kathalguri GBPP (Misa - Balipara -- Bongaigaon & Balipara -- Tezpur)	87/2006	7.9.2009	1.2.2000	1.00	18326.35	18326.35	99.466%	1.466%
10	ATS of Kopili Extension (Kopili -- Misa)	85/2006	12.08.2009	1.2.2000	1.00	285.08	285.08	99.466%	1.466%
11	Augmentation Scheme of NER (132 kv NER Augmentation scheme)	88/2006	21.08.2009	1.2.2000	1.00	2421.75	2421.75	99.466%	1.466%
12	ATS of Ranganadi HEP (Ranganadi -- Balipara)	84/2006	19.08.2009	1.1.2003	1.00	7099.14	7099.14	99.466%	1.466%
13	ATS of Ranganadi HEP (Nirjuli -- Dikrong)	84/2006	19.08.2009	1.10.2001	1.00	397.13	397.13	99.466%	1.466%
14	Ranganadi -- Ziro line	82/2006	11.8.2009	1.4.2004	1.00	458.58	458.58	99.466%	1.466%
	SUB-TOTAL (A)					50029.59	50029.59		
B	Inter Regional Projects								
1	Kathalguri Inter- Regional (Bongaigaon-New Siliguri) (50% as per order dated 15.5.2009)	75/2008	15.05.2009	1.4.2000	1.00	7050.59	3525.30	99.4248%	1.4248%
	SUB-TOTAL (B)					7050.59	3525.30		
	TOTAL INCENTIVE (A+B)						53554.89		