

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 85/2010

Coram:

1. Shri S. Jayaraman, Member
2. Shri V.S.Verma, Member
3. Shri M.Deena Dayalan, Member

Date of Hearing: 9.12.2010

Date of order: 14.2.2011

In the matter of

Approval of incentive based on availability of transmission system for the years 2004-05, 2005-06 and 2006-07 for North Eastern Region.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon
Vs

.....Petitioner

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 M.M.Mondal, PGCIL
2. Shri R.Prasad, PGCIL
3. Shri B.Vamsi, PGCIL
4. Shri S.Raju, PGCIL

ORDER

The petition has been filed for approval of incentive for the years 2004-05, 2005-06 and 2006-07 for transmission system in North Eastern Region, in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as "the 2004 regulations").



2. Regulation 51 of the 2004 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 2004 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:

Incentive=Equity x [Annual availability achieved –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 letters dated 25.2.2009, 16.5.2007 and 15.5.2008 has certified the availability of intra-regional system and inter-regional transmission line during 2004-05, 2005-06 and 2006-07 respectively as under:

S. No.	Assets	Availability for the year 2004-05	Availability for the year 2005-06	Availability for the year 2006-07
1.	Intra-Regional AC system AC Transmission System of NER	99.5655%	99.5895%	99.4429%
2.	Inter-Regional AC system Bongaigaon- New Siliguri transmission line	99.5978%	99.6049%	99.5155%

5. The petitioner has claimed the following for the years 2004-05, 2005-06 and 2006-07:

Sl. No.	Assets	(₹ in lakh)					
		2004-05		2005-06		2006-07	
		Pro rata equity	Incentive	Pro rata equity	Incentive	Pro rata equity	Incentive
1.	Intra-regional AC Transmission System of NER	49879.58	780.86	49984.32	794.50	50029.49	721.88
2.	Inter-Regional AC lines NER-ER AC system Bongaigaon- New Siliguri transmission line	5941.68	94.94	4733.49	75.97	3525.30	53.43
	Total	55821.26	875.80	54717.81	870.47	53554.79	775.31



6. No reply has been filed by the respondents.

7. On the basis of certificate provided by the Member-Secretary, NERPC, the petitioner is allowed incentives as indicated in the table below:

(₹ in lakh)

Sl. No.	Assets	2004-05		2005-06		2006-07	
		Pro rata equity	Incentive	Pro rata equity	Incentive	Pro rata equity	Incentive
1.	Intra-regional AC Transmission System of NER	49879.50	780.86	49984.32	794.50	50043.97	722.08
2.	Inter-Regional AC lines NER-ER AC system Bongaigaon- New Siliguri transmission line	5941.68	94.94	4733.49	75.97	3525.30	53.43
	Total	55821.18	875.80	54717.81	870.47	53569.27	775.51

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 2004-05, 2005-06 and 2006-07 has been approved, average equity has been considered for computation of incentive.

10. The Commission in its order dated 19.5.2010, had provisionally allowed incentive of 90% of that claimed by the petitioner in this petition. The provisional incentive charge by the petitioner shall be adjusted against final incentive for the year 2004-05, 2005-06 and 2006-07 approved by us in this order.



11. The incentive for the Bongaigaon-New Siliguri transmission line for the period from 1.10.2005 to 31.3.2007 shall be shared by the beneficiaries in Eastern Region and North Eastern Region in the ratio of 50:50. In respect of New Siliguri-Malda transmission line, the incentive shall be borne by the beneficiaries of Eastern Region.

12. This order disposes of Petition No.85/2010.

Sd/-
(M.DEENA DAYALAN)
MEMBER

sd/-
(V.S.VERMA)
MEMBER

sd/-
(S.JAYARAMAN)
MEMBER



ANNEXURE

Petition No. 85/2010																
Name of the Company: PGCIL																
Name of the Region: North Eastern																
NER Transmission System																
Incentive for the years 2004-05, 2005-06 and 2006-07																
Target availability for incentive (AC System)		98%														(₹ in lakh)
A	Name of the Transmission System/ Line	Petition No.	Date of tariff orders	Date of commercial operation	Equity as per tariff order			Availability of the Transmission System Elements 2004-05	Availability of the Transmission System 2005-06	Availability of the Transmission System Elements 2006-07	Availability eligible for incentive 2004-05	Availability eligible for incentive 2005-06	Availability eligible for incentive 2006-07	Incentive amount 2004-05	Incentive amount 2005-06	Incentive amount 2006-07
					2004-05	2005-06	2006-07									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Target availability for incentive (AC System)															
1	ATS of Kopili -- Khandong	90/2006	21.08.2009	1983 to 1989	2767.31	2767.93	2767.93	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	43.32	44.00	39.94
2	ATS of Loktak HEP	83/2006	08.10.2009	-do-	425.50	425.43	425.43	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	6.66	6.76	6.14
3	ATS of Doyang HEP (Doyang -- Dimapur -- Imphal)	89/2006	21.08.2009	01.04.1997	1033.09	1033.09	1033.09	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	16.17	16.42	14.91
4	ATS of Doyang HEP (Misa -- Dimapur)	89/2006	21.08.2009	01.07.1995	3005.41	3005.41	3005.41	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	47.05	47.77	43.37
5	ATS of Agartala GBPP (Agartala -- Agartala)	86/2006	21.08.2009	01.04.1998	202.00	202.00	202.00	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	3.16	3.21	2.91
6	ATS of Agartala GBPP (RC Nagar -- Kumarghat)	86/2006	21.08.2009	01.01.2001	359.45	359.45	359.45	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	5.63	5.71	5.19
7	ATS of Kathalguri GBPP (Kathalguri -- Mariani)	87/2006	07.09.2009	01.08.1995	4109.69	4109.69	4109.69	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	64.34	65.32	59.30
8	ATS of Kathalguri GBPP (Misa -- Mariani & Misa--Kathalguri)	87/2006	07.09.2009	01.04.1998	9138.56	9138.56	9138.56	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	143.06	145.26	131.86
9	ATS of Kathalguri GBPP (Misa - Balipara -- Bongaigaon & Balipara -- Tezpur)	87/2006	07.09.2009	01.02.2000	18324.46	18325.41	18326.35	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	286.87	291.28	264.43
10	ATS of Kopili Extension (Kopili -- Misa)	85/2006	12.08.2009	01.02.2000	285.08	285.08	285.08	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	4.46	4.53	4.11
11	Augmentation Scheme of NER (132 kv NER Augmentation scheme)	88/2006 & 34/2010	21.08.2009 & 18.06.2010	01.02.2000	2305.90	2380.33	2433.50	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	36.10	37.84	35.11
12	ATS of Ranganadi HEP (Ranganadi -- Balipara)	84/2006 & 33/2010	19.08.2009 & 20.07.2010	01.01.2003	7103.52	7099.14	7101.87	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	111.21	112.84	102.47
13	ATS of Ranganadi HEP (Nirjuli -- Dikrong)	84/2006	19.08.2009	01.10.2001	397.13	397.13	397.13	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	6.22	6.31	5.73
14	Ranganadi -- Ziro line	82/2006	11.08.2009	01.04.2004	422.40	455.67	458.48	99.5655%	99.5895%	99.4429%	1.57%	1.59%	1.44%	6.61	7.24	6.62
	SUB-TOTAL (A)				49879.50	49984.32	50043.97							780.86	794.50	722.08
B	Inter Regional Projects															
	Kathalguri Inter-Regional															
1	Bongaigaon-New Siliguri	75/2008	15.05.2009	01.04.2000	5941.68	2970.84	0.00	99.5978%	99.6049%	99.5155%	1.60%	1.60%	1.52%	94.94	47.68	0.00
2	Bongaigaon-New Siliguri	75/2008	15.05.2009	01.10.2005	0.00	1762.65	3525.30	99.5978%	99.6049%	99.5155%	1.60%	1.60%	1.52%	0.00	28.29	53.43
	SUB-TOTAL (B)				5941.68	4733.49	3525.30							94.94	75.97	53.43
	TOTAL INCENTIVE (A+B)				55821.18	54717.81	53569.27							875.80	870.47	775.51