

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 179/2009

Coram:

**Shri V.S. Verma, Member
Shri M. Deena Dayalan, Member**

Date of Hearing : 17.09.2013

Date of Order : 07.11.2013

In the matter of:

Approval of incentive under Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 based on availability of transmission system of North Eastern Region for year 2008-09

And

In the matter of:

Power Grid Corporation of India Limited,
"Saudamani", Plot No.2,
Sector-29, Gurgaon -122 001.

.....**Petitioner**

VERSUS

1. Assam State Electricity Board,
Bijulee Bhawan, Paltan Bazar
Guwahati – 781 001, Assam
2. Meghalaya State Electricity Board,
Short Round Road
Shillong- 793 001
3. Government of Arunachal Pradesh,
Itanagar, Arunachal Pradesh – 751 007
4. Power & Electricity Department,
Government of Mizoram
Mizoram, Aizwal

5. Electricity Department,
Government of Manipur, Keishampat
Imphal
6. Department of Power,
Government of Nagaland
Kohima, Nagaland – 737 101
7. Tripura State Electricity Corporation Limited,
Bidyut Bhawan, North Banamalipur
Agartalla, Tripura – 700 001

...Respondents

Representatives of the Petitioner : Shri S.S Raju, PGCIL
Shri B.K. Sahoo, PGCIL
Shri B.C. Pant, PGCIL
Shri M.M. Mondal, PGCIL
Shri J. Mazumdar, PGCIL
Shri Shashi Bhusan, PGCIL

Counsel for the Respondent : Nil

ORDER

This is a petition filed by Power Grid Corporation Limited (PGCIL) seeking approval for incentive for the year 2008-09 for its transmission system in North Eastern Region under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as "the 2004 Tariff Regulations").

2. Regulation 51 of the 2004 Tariff Regulations provides that:-

"51. Target Availability for recovery of full transmission charges

- (1) AC System : 98%
- (2) HVDC bi-pole links and HVDC back-to-back stations : 95%

Note 1

Recovery of fixed charges below the level of target availability shall be on pro rata basis. At zero availability, no transmission charges shall be payable.

Note 2

The target availability shall be calculated in accordance with procedure specified in Appendix-III."

3. Clause(1) of Regulation 60 of the 2004 Tariff Regulations provides that:-

"60. Incentive :

- (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. The Member Secretary, NERPC has certified the availability for the year 2008-09 of the intra-regional system and inter-regional links connecting North Eastern Region to other regions, vide letter dated 30.4.2009. The details of certified availability, target availability and availability eligible for incentive are as under:-

(All figures in %)

TRANSMISSION ELEMENTS	Certified availability	Target availability	Availability eligible for incentive
Intra-Regional AC System			
AC Transmission System of North Eastern Region	99.2826	98.000	1.2826
Inter-Regional AC System			
Bongaigaon New Siliguri line (ER-NER)	99.7689	98.000	1.7689

5. As provided in the 2004 Tariff Regulations, the incentive for the year 2008-09 has been worked out considering the availability of transmission system as certified by the Member Secretary, NERPC and the equity considered in the tariff orders for the period 2004-09 covering all the assets pertaining to North Eastern Region. The details of the incentive claimed by the petitioner and the incentive allowed are as under: -

(₹ in lakh)

System	Equity Amount as per the petitioner	Incentive amount as per the petitioner	Equity amount as worked out	Incentive amount as worked out	Difference in incentive claimed and worked out.
1	2	3	4	5	6 (3-5)
Intra-Regional Transmission system					
AC System Intra Regional	50064.25	642.12	50064.25	642.12	0.00
Inter-Regional Transmission system					
Bongaigon New Siliguri Line (ER-NER).	3525.30	62.36	3525.30	62.36	0.00
TOTAL	53589.55	704.48	53589.55	704.48	0.00

6. The details of calculation in support of the incentive allowed are given in the attached Annexure.

7. The Commission in its order dated 22.10.2009, as an interim measure allowed incentive of 90% claimed by the petitioner in the petition. The provisional incentive charges allowed shall be adjusted by the petitioner against final incentive allowed for the year 2008-09 in the instant order.

8. The incentive in respect of North Eastern Regional transmission assets shall be shared by the respondents, the beneficiaries in the North Eastern Region, in proportion to the transmission charges shared by them in the region.

9. This order disposes of Petition No. 179/2009

sd/-
(M. Deena Dayalan)
Member

sd/-
(V.S. Verma)
Member

ANNEXURE
(₹ in lakh)

	Name of the Transmission System/ Line (1)	Petition No. (2)	CERC Tariff order dated (3)	D.O.C.O. (4)	Period during the year (5)	Equity as per Tariff Order (6)	Pro-rata Equity for the year 2008-07 (7)	Availability of the Transmission System as per Engg Input (8)	Availability eligible for incentive (9)	Incentive amount (10)= (7)*(9)
A	Intra Regional AC System									
	Target availability for incentive (AC System)									98%
1	ATS of Kopili -- Khandong	90/2006	21.08.2009	1983 to 1989	1.00	2767.93	2767.93	99.2826%	1.2826%	35.50
2	ATS of Loktak HEP	83/2006	08.09.2009	-do-	1.00	425.43	425.43	99.2826%	1.2826%	5.46
3	ATS of Doyang HEP (Doyang -- Dimapur -- Imphal)	89/2006	21.08.2009	01.04.1997	1.00	1033.09	1033.09	99.2826%	1.2826%	13.25
4	ATS of Doyang HEP (Misa -- Dimapur)	89/2006	21.08.2009	01.07.1995	1.00	3005.41	3005.41	99.2826%	1.2826%	38.55
5	ATS of Agartala GBPP (Agartala -- Agartala)	86/2006	21.08.2009	01.04.1998	1.00	202.00	202.00	99.2826%	1.2826%	2.59
6	ATS of Agartala GBPP (RC Nagar -- Kumarghat)	86/2006	21.08.2009	01.01.2001	1.00	359.45	359.45	99.2826%	1.2826%	4.61
7	ATS of Kathalguri GBPP (Kathalguri -- Mariani)	87/2006	07.09.2009	01.08.1995	1.00	4109.69	4109.69	99.2826%	1.2826%	52.71
8	ATS of Kathalguri GBPP (Misa -- Mariani & Misa-- Kathalguri)	87/2006	07.09.2009	01.04.1998	1.00	9138.56	9138.56	99.2826%	1.2826%	117.21
9	ATS of Kathalguri GBPP (Misa - Balipara -- Bongaigaon & Balipara -- Tezpur)	87/2006	07.09.2009	01.02.2000	1.00	18326.35	18326.35	99.2826%	1.2826%	235.05



10	ATS of Kopili Extension (Kopili - Misa)	85/2006	12.08.2009	01.02.2000	1.00	285.08	285.08	99.2826%	1.2826%	3.66
11	Augmentation Scheme of NER (132 kv NER Augmentation scheme)	34/2010	18.06.2009	01.02.2000	1.00	2421.75	2436.59	99.2826%	1.2826%	31.25
12	ATS of Ranganadi HEP (Ranganadi -- Balipara)	33/2010	20.07.2010	01.01.2003	1.00	7099.14	7117.31	99.2826%	1.2826%	91.29
13	ATS of Ranganadi HEP (Nirjuli -- Dikrong)	84/2006	19.08.2009	01.10.2001	1.00	397.13	397.13	99.2826%	1.2826%	5.09
14	Ranganadi -- Ziro line	29/2010	15.06.2010	01.04.2004	1.00	460.23	460.23	99.2826%	1.2826%	5.90
	SUB-TOTAL (A)					50031.24	50064.25			642.12
B	Inter Regional Projects									
1	Kathalguri Inter-Regional (Bongaigaon-New Siliguri) (50% as per order dated 15.05.2009)	75/2008	15.05.2009	01.04.2000	1.00	3525.30	3525.30	99.7689%	1.7689%	62.36
	TOTAL (B)					3525.30	3525.30			62.36