

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairman**
- 2. Shri K.N. Sinha, Member**
- 3. Shri Bhanu Bhushan, Member**
- 4. Shri A.H. Jung, Member**

Petition No.3/2005

In the matter of

Implementation of the Commission's order dated 6.9.2004 in Petition No.13/2004 regarding transmission tariff in North Eastern Region effective from 1.2.2000 to 31.3.2004.

And in the matter of

Power Grid Corporation of India Ltd. ... **Petitioner**

Vs

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

The following were present:

1. Shri S.K. Sinha, ED, PGCIL
2. Shri T.C. Sarma, Chief Manager, PGCIL
3. Shri R. Kapoor, ASEB
4. Shri U.K. Tyagi, PGCIL
5. Shri C. Kannan, PGCIL
6. Shri C.M. Bhogal, Member Secretary, NEREB/NERPC

**ORDER
(DATE OF HEARING: 24.11.2005)**

The petitioner, Power Grid Corporation of India Ltd (PGCIL) primarily seeks implementation of para 8, 12 and 13 of the Commission's order dated

6.9.2004 in Petition No. 13/2004, on the question of transmission tariff chargeable in North Eastern Region. The prayers made by the petitioner are as under:

- (a) to consider inclusion of all central sector transmission lines commissioned after 1998, under the Uniform Common Pool Transmission Tariff (UCPTT) scheme, thereby modifying the investment of transmission assets owned by the petitioner from Rs.434.39 crore to Rs.1592.94 crore in order to increase its share of tariff under UCPTT;
- (b) to exclude from UCPTT scheme, all intra-State transmission lines owned by the States in North Eastern Region, some of which are stated to be out of service since 1.2.2000, and the others are utilized to transmit power either from constituents' own generating units or from the delivery points of the transmission system owned by the petitioner to other load centers within their States
- (c) to exclude the inter-State transmission lines owned by the States in North Eastern Region from UCPTT scheme after commissioning of the transmission lines owned by the petitioner as the Central Transmission Utility as these are no longer required and some of which are not in operation since 1.2.2000;

- (d) to allow transmission tariff to the petitioner at the rate of 35 paise/Unit; and
- (e) to calculate energy for transmission tariff in the Regional Energy Account (REA) considering the Commission's directive vide paras 12 and 13 of the order dated 6.9.2004 *ibid*.

2. Before considering the prayers made, it is necessary to have a look at the background facts in brief. In North-Eastern Region, regional transmission tariff is charged @ 35 paise/unit of the energy transmitted in the region with effect from 1.4.1998 as agreed to between the parties concerned, under UCPTT scheme. This tariff was shared between the petitioner and the beneficiaries of the North Eastern Region whose transmission lines were considered to be part of the regional transmission system, as under:

| | | Share |
|-----|--------------|--------------------|
| (a) | POWERGRID | 31.616180 Paise |
| (b) | ASEB | 1.919840 Paise |
| (c) | MeSEB | 0.306150 Paise |
| (d) | Nagaland | 0.230560 Paise |
| (e) | Tripura | 0.342630 Paise |
| (f) | Manipur | 0.584640 Paise |
| | Total | 35.00 Paise |

3. The petitioner has submitted that since 1998, it had constructed a number of transmission lines and sub-stations in the North Eastern Region and therefore, its share of charges in UCPTT of 35 paise/Unit should considerably increase. Therefore, in Petition No.13/2004 the petitioner prayed for reapportionment of its share in UCPTT. In that petition, the petitioner had also prayed for calculation of transmission tariff for the assets owned by it for post-ABT period, that is, from

1.11.2003 onwards based on ex-bus design target energy in place of ex-bus actual energy of the central generating stations in the region.

4. In Petition No.13/2004 basically two issues were raised. These were:
 - (a) Review of sharing of UCPTT rate of 35 paise/unit with effect from 1.2.2000; and
 - (b) Whether UCPTT billing should be based on design energy after ABT introduction in NER on 1.11.2003.

5. The petition was disposed of by order dated 6.9.2004. The Commission noted that the question of reapportionment of UCPTT charges was under consideration of North Eastern Regional Electricity Board (NEREB) and a view thereon was likely to be taken by a Committee, which was to be formed by NEREB. The Commission had, therefore, directed the petitioner and the respondents to place all details in regard to utilization of the transmission lines for evacuation of power from the central generating stations before the Committee. Member Secretary, NEREB was directed to expedite determination of revised UCPTT sharing formula for the period 1.2.2000 to 31.3.2004 based on the studies by the Committee. The liberty was granted to the parties to approach the Commission for appropriate relief in case the issue was not resolved by 1.10.2004. The second issue in Petition No.13/2004 noted above was also deliberated, and disposed off in the order dated 6.9.2004. The dispensation has been confirmed in order dated 7.4.2006 in Review Petitions No.189/2004 and 2/2005. It is expected that the Commission's orders referred to here have been complied with fully by now.

6. In the present petition, the petitioner has submitted that the Committee constituted by NEREB had discussed the issue of inclusion of the petitioner's lines commissioned between 1998 to 2000 and exclusion of State sector lines from UCPTT during August 2004. However, the Committee could not arrive at any decision. The petitioner had submitted before the Committee that in addition to investment of Rs.434.39 crore up to 1998, it had commissioned several lines with additional investment of Rs.1158.55 crore during the period from 1998-2003. However, the petitioner's share under the UCPTT was not revised and it was still being paid @ 31.618 Paise/Unit out of UCPTT of 35 paise/unit. Before the Committee, the petitioner is said to have opposed inclusion of certain inter-State/intra-State lines for sharing of UCPTT but this was not agreed to by the State constituents of the region. According to the petitioner, the studies carried out by it revealed that its network is singly adequate for evacuation of central sector power in the region and, therefore, it was entitled to claim the entire UCPTT of 35 paise/Unit. The petitioner has further pointed out that in the revised REA for the month of September 2004, NEREB had not allowed transmission tariff for 883 MUs of energy drawn by Manipur from Loktak HEP and also UI import of 29 MUs.

7. By order dated 28.6.2005 issued after hearing this petition on admission, Member Secretary, NEREB was directed to file details of transmission assets with respective dates of commissioning belonging to the petitioner and the States in the region forming part of the inter-State transmission system.

8. Member Secretary, NEREB/NERPC sent a letter dated 13.7.2005 to the Secretary of the Commission along with the report indicating certain details of the transmission assets in compliance with the Commission's above order. From the report, it is noted that the list of the transmission assets was submitted after discussions in TCC meeting. As the report lacked in certain details, the Member Secretary was directed to compile the necessary details, forward them to the constituents for their verification/confirmation and submit his completed report to the Commission latest by 30.9.2005. After necessary interaction with the constituents, the Member Secretary, NEREB/NERPC has submitted his report to the Commission on 23.9.2005.

9. Following apportioning of UCPTT for different periods has been proposed in the above report.

| Constituent | Upto December 2002 | Jan 2003 to March 2004 | April 2004 to May 2004 | June 2004 to December 2004 | January 2005 to July 2005 |
|--------------|--------------------------|------------------------------|------------------------------|-------------------------------------|---------------------------------|
| POWERGRID | 33.900301 | 33.995626 | 34.006728 | 33.864863 | 33.668547 |
| ASEB | 0.719517 | 0.657148 | 0.649884 | 0.784769 | 0.768377 |
| MeSEB | 0.108623 | 0.099207 | 0.098111 | 0.099207 | 0.097135 |
| Nagaland | 0.076211 | 0.069605 | 0.068836 | 0.069605 | 0.271047 |
| Tripura | 0.113913 | 0.104039 | 0.102889 | 0.124676 | 0.122072 |
| Manipur | 0.081434 | 0.074375 | 0.073553 | 0.074375 | 0.072821 |
| Total | 35.000000 | 35.000000 | 35.000000 | 35.017496 | 35.000000 |

10. It was noted by the Commission during the hearing on 24.11.2005 that the date of start of first period was not clear in the above report. The matter has been clarified in the letter dated 21.4.2006 of Member Secretary, NERPC as follows:

| Constituent | February 2000 to December 2000 | January 2001 to September 2001 | October 2001 to December 2002 |
|--------------|--------------------------------|--------------------------------|-------------------------------|
| POWERGRID | 33.877564 | 33.894439 | 33.900301 |
| ASEB | 0.734394 | 0.723353 | 0.719517 |
| MeSEB | 0.110869 | 0.109202 | 0.108623 |
| Nagaland | 0.077787 | 0.076617 | 0.076211 |
| Tripura | 0.116269 | 0.114521 | 0.113913 |
| Manipur | 0.083117 | 0.081868 | 0.081434 |
| Total | 35.000000 | 35.000000 | 35.000000 |

11. Details on which the above apportioning is based are given in NEREB letters dated 23.9.2005 and 21.4.2006, copies of which have already been sent to all concerned parties. As such, they are not being repeated here.

12. The parties were given opportunity of hearing on the report submitted by Member Secretary, NEREB. At the hearing on 24.11.2005, Assam State Electricity Board and the petitioner had agreed with the report and its implementation as indicated by Member Secretary, NEREB. We accept the recommendations made by Member Secretary, NEREB/NERPC, except as follows.

13. A careful perusal of the above tabulations shows that apportioning change is very minute between February 2000 to December 2000, January 2001 to September 2001 and October 2001 to December 2002. Similarly, the apportioning change between January 2003 to March 2004 and April 2004 to May 2004 is

miniscule. We, therefore, have decided simplified UCPTT apportioning as follows:

| Constituent | February 2000 to December 2002 | January 2003 to May 2004 | June 2004 to December 2004 | January 2005 and onwards |
|--------------|--------------------------------|--------------------------|----------------------------|--------------------------|
| POWERGRID | 33.877564 | 33.995626 | 33.864863 | 33.668547 |
| ASEB | 0.734394 | 0.657148 | 0.784769 | 0.768377 |
| MeSEB | 0.110869 | 0.099207 | 0.099207 | 0.097135 |
| Nagaland | 0.077787 | 0.069605 | 0.069605 | 0.271047 |
| Tripura | 0.116269 | 0.104039 | 0.124676 | 0.122072 |
| Manipur | 0.083117 | 0.074375 | 0.074375 | 0.072821 |
| Total | 35.000000 | 35.000000 | 35.017496 | 35.000000 |

14. Accordingly, Member Secretary, shall issue details of net amounts payable/receivable by different agencies based on the revised sharing formula specified in para 13 within three months from the date of this order.

15. The petition stands disposed of accordingly.

Sd/-
(A.H. JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd//
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 9th May 2006