

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

1. **Shri Bhanu Bhushan, Member**
2. **Shri R. Krishnamoorthy, Member**
3. **Shri Rakesh Nath, Member (EO)**

**Petition No.108/2006**

**In the matter of**

Petition for `in principle` approval of the estimated project cost and financing plan of 1000 MW (gross) power project being set up by Visa Power Ltd. in Orissa.

**And in the matter of**

Visa Power Limited, Kolkata	....	<b>Petitioner</b>
Vs		
1. Grid Corporation of Orissa Ltd., Bhubaneswar		
2. Visa Steel Limited, Bhubaneswar		
3. PTC India Ltd., New Delhi	.....	<b>Respondents</b>

**The following were present:**

1. Shri S.K.Banerjee, Visa Power Ltd.
2. Shri Nigam, Visa Power Ltd
3. Shri R.Bose, Visa Power Ltd.
4. Ms Suman Kukrety, Advocate, GRIDCO
5. Shri S.R. Sarma, GRIDCO
6. Shri S.S. Sharma, PTC

**ORDER  
(DATE OF HEARING: 5.6.2007)**

The petitioner, through this petition filed on 29.9.2006, has applied for 'in principle' approval of the estimated project cost and financing plan of its 1000 MW power project being set up either at Choudwar in District Cuttak or at Bajrakot in District Angul in the State of Orissa.

2. The estimated cost of the power project is stated to be around Rs.4498 crore, 'in principle' approval of which has been sought. During the hearing, it was stated on behalf of the petitioner that the projected capital cost is an estimate. It was stated that the estimated project cost is not likely to be exceeded, but is not based on suppliers' offers for main plant package, etc. It was stated that the bids for the power project were yet to be invited.

3. We feel that no useful purpose would be served by considering the estimated project cost for 'in principle' approval in the present case. In our view, consideration of this cost may even prove to be counter-productive, as it may adversely influence the competitive bidding. Further, there could be wide variation between the estimated cost and the cost to be worked out on the basis of offers actually received. A much clearer picture regarding the project cost is likely to emerge after the bids to be invited by the petitioner have been opened. Financial tie-up etc. could also be finalized only when the project capital cost is worked out based on the bids for the main plant packages. The petitioner is, therefore, directed to place on record the project capital cost, emerging after complete evaluation of the bids received for the main plant packages.

4. The following additional details shall also be filed by the petitioner:

- (i) Complete list of contract packages;
- (ii) Prices quoted by qualified L-1 bidders;
- (iii) Summary evaluation reports for all main packages;
- (iv) Detailed basis for deriving the project cost;
- (v) Proposed financing plan;
- (vi) Latest status of the power project and clearances;

- (vii) Any special features of the power project, and their impact on the project cost; and
- (viii) Unit-wise MW rating and the expected date of commercial operation.

5. It is made clear that the petitioner shall remain fully responsible for compliance of the Electricity Act, 2003, applicable Government of India policies, rules and regulations, etc. The 'in principle' approval of project capital cost and financing plan, if granted, shall not be construed as approval/ratification of any other aspect covered under the applicable law.

6. The copy of the information to be filed by the petitioner, as per paras 3 and 4 above shall also be supplied to the respondents.

7. The office shall process the petition for further hearing on receipt of the additional information called for from the petitioner. Meanwhile, the respondents may file their replies to the petition.

Sd-/  
**(RAKESH NATH)**  
**MEMBER**

sd-/  
**(R. KRISHNAMOORTHY)**  
**MEMBER**

sd-/  
**(BHANU BHUSHAN)**  
**MEMBER**

New Delhi dated the 27<sup>th</sup> June 2007