

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri Bhanu Bhushan, Member**

Petition No.141/2006

In the matter of

Approval of provisional generation tariff of Dulhasti Hydroelectric Project (3x130 MW) from the date of commercial operation till determination of final tariff.

And in the matter of

National Hydroelectric Power Corporation Ltd., Faridabad ... **Petitioner**
Vs

1. Punjab State Electricity Board, Patiala
2. Haryana Power Generation Corporation Limited, Chandigarh
3. Delhi Transco Limited, New Delhi
4. Uttar Pradesh Power Corporation Ltd, Lucknow
5. Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur
6. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
7. Power Transmission Corporation of Uttranchal Ltd, Dehradun
8. Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur
9. Ajmer Vidyut Vitaran Nigam Ltd., Ajmer
10. Chief Engineer and Secretary, Engineering Deptt., UT Secretariat, Chandigarh
11. Power Development Department, Govt. of J&K, Jammu **Respondents**

The following were present:

1. Shri S.D.Tripathi, NHPC
2. Shri Prashant Kaul, NHPC
3. Shri Cherian Mathew, NHPC
4. Shri P. Kumar, DM (E), NHPC
5. Shri Ansuman Ray, Engineer, NHPC
6. Shri R.S.Batra, NHPC

**ORDER
(DATE OF HEARING: 15.3.2007)**

The petition has been filed by National Hydroelectric Power Corporation Ltd. for approval of the provisional composite tariff rate of Rs. 3 per unit (the equivalent Annual Fixed Charges of which is Rs. 497.42 crore), to be billed for Dulhasti Hydroelectric Project (hereinafter referred to as "the generating station")

from the date of commercial operation on provisional basis and till determination of final tariff, subject to necessary adjustment with retrospective effect that may be required after approval of final tariff by the Commission. The petitioner has further prayed that it be allowed to bill the beneficiaries for levies, taxes, duties, cess etc. and that filing fee of the petition be allowed to be recovered from the respondents in monthly installments in the tariff. It is further prayed that incentive/disincentive and other parameters may be allowed to be recovered as prescribed in the Commission's notification dated 26.3.2004.

2. The investment approval of the generating station was accorded by the Ministry of Power under its letter dated 12.7.1989 at an estimated cost of Rs. 126297 lakh including IDC of Rs. 9620 lakh. Subsequently, Ministry of Power vide its letter dated 29.10.1997 accorded revised approval at an estimated cost of Rs. 355977 lakh including IDC of Rs. 97563 lakh. It is stated that generating station is now to be executed at a cost of Rs. 506344 lakh.

3. When the petition was filed, the anticipated date of completion of the generating station was stated to be December 2006 and hence approval of provisional tariff was sought from that date. At the hearing before us, however, Shri S. D. Tripathi, Executive Director submitted that out of three generating units, two units had already been synchronized and load testing was being done on these units. He stated that the third unit was likely to be synchronized shortly and it was expected that all the three generating units would be commissioned by 31.3.2007. He further informed that in consultation with Ministry of Power and

after discussions with the beneficiaries of the generating station, the petitioner has formulated a "Back loaded Tariff Model". In this model, a composite tariff of Rs. 3 per unit for first year has been proposed. Shri Tripathi has also informed that general consensus was reached between the petitioner and some of the respondents, namely the utilities in Punjab, Haryana, Delhi, Chandigarh, Uttar Pradesh and Uttranchal to buy power at the rate of Rs. 3 per unit during the first year and they have signed the Power Purchase Agreement. The other respondents viz Power Development Department, Jammu & Kashmir, Jodhpur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jaipur Vidyut Vitran Nigam Limited have agreed to pay tariff determined by the Commission.

4. Some of the respondents have filed replies to the petition. It is, however, not necessary for us to deliberate upon the issues raised therein as at present we are at the provisional tariff stage.

5. In view of the general consensus between the petitioner and the respondents, we accept the provisional composite rate of Rs 3 per unit from the date of commercial operation of the generating station. Accordingly, we approve the provisional Annual Fixed Charges of Rs. 497.40 crore up to 31.3.2008, corresponding to saleable design energy of 1658 MUs. The primary energy charge shall be recovered based on primary energy rate derived from the lowest variable charge of Central Sector Thermal Stations of the Northern Region for the year 2006-07 and saleable annual design energy of 1658 MUs. The balance amount shall be recovered as capacity charge.

6. In case the commercial operation declaration of the generating units is staggered, the Annual Fixed Charges shall be recoverable on pro-rata basis.

7. All the payments made in terms of this order shall be subject to final determination of tariff by the Commission based on a separate petition to be filled by the petitioner after commercial operation of all the three units.

8. In addition, the petitioner shall be entitled to recover levies, taxes, duties, cess, etc in accordance with the notification dated 26.3.2004.

9. The petitioner is also directed to furnish the following information/clarifications at the time of filing of the petition for approval of final tariff, namely:-

(a) Copies of the loan agreements;

(b) Base interest rate as on the date of commercial operation in case of loans carrying floating rate of interest;

(c) Details of allocation of loans to different generating stations as on 31.3.2006 and 31.3.2007, duly reconciled with the Annual Accounts of the respective year;

(d) Audited Annual Accounts of the respective generating station for the years 2005-06 and 2006-07; and

- (e) Exchange rates for foreign loans with documentary evidence as on the date of commercial operation of the respective machine and station.

10. With this order, Petition No. 141/2006, stands disposed of.

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(BHANU BHUSHAN)
MEMBER
New Delhi dated the 20th March 2007

sd-/

(ASHOK BASU)
CHAIRPERSON