

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

I.A.13/2007

in

Petition No.184/2004

In the matter of

Approval of provisional generation tariff of Nathpa Jhakri Hydroelectric Project for the period 1.4.2007 to 31.3.2008.

And in the matter of

Satluj Jal Vidyut Nigam Limited

...**Petitioner**

Vs

1. The Chairman, Punjab State Electricity Board, Patiala
2. The Chairman, Haryana Vidyut Prasaran Nigam Ltd, Panchkula
3. The Chairman, Delhi Transco Limited, New Delhi
4. The Chairman, Jaipur Vidyut Vitaran Nigam Limited, Jaipur
5. The Chairman, Ajmer Vidyut Vitaran Nigam Limited, Ajmer
6. The Chairman, Jodhpur Vitaran Nigam Limited, Jodhpur
7. The Chairman, Himachal Pradesh State Electricity Board, Shimla
8. The Principal Secretary, Power Development Department, J&K Govt., Srinagar
9. Chief Engineer, Engineering Deptt., UT Secretariat, Chandigarh
10. The Chairman, Uttar Pradesh Power Corporation Ltd., Lucknow

.....**Respondents**

The following were present:

1. Shri R.K. Bansal, SJVNL
2. Shri Suresh Kumar, SJVNL
3. Shri N.C.Dhingra, SJVNL
4. Shri Padamjit Singh, PSEB
5. Shri T.P.S.Bawa, PSEB

**ORDER
(DATE OF HEARING: 26.4.2007)**

The petitioner has filed the present application (I.A.13/2007), for continuation of the provisional tariff allowed by the Commission by its order dated

20.6.2006 in I.A 38/2006, for the period 2007-08, till determination of final tariff by the Commission for the period 2004-09 and also to allow filing of the final tariff petition by September 2007.

2. The petitioner had filed Petition No.184/2004, for approval of provisional tariff of the generating station for the period 1.4.2004 to 31.3.2009. The Commission by its order dated 17.6.2005 accepted the provisional single-part tariff @ Rs 2.35/kWh, agreed between the petitioner and the beneficiaries of the Northern Region in the 134th meeting of NREB held in June 2004, as the basis for determining the provisional Annual Fixed Charges for the initial years . These were allowed by the Commission for the years 2004-05 and 2005-06 as Rs.133525 lakh and Rs.141483 lakh respectively.

3. Thereafter, the petitioner through I.A. 38/2006 (in Petition No.184/2004) sought approval for provisional two-part tariff in respect of the generating station for the period from 1.4.2006 to 31.3.2007 @ Rs 2.56 /kWh. The Commission by its order dated 20.6.2006 disposed of the said I.A. as follows:

"...We direct that the tariff approved by order dated 17.6.2005 for the year 2005-06 shall be continued up to 31.3.2007 on provisional basis. Meanwhile, the petitioner shall file an appropriate petition for approval of final tariff. In case the petitioner fails to make such an application for approval of final tariff by 31.12.2006, the Commission may reduce the tariff allowed provisionally. With the above, I.A. 38/2006 stands disposed of..."

4. During the hearing the petitioner submitted that the delay in filing the final tariff petition for the period 2004-09 was only on the ground that the final completion cost of the generating station (RCE-III) had not been approved by the Govt. of India. It was also submitted that the beneficiaries of the generating station had agreed through the Power Purchase Agreements that in case the

tariff of the generating station was not finalized before 31.3.2007, they would continue to pay on adhoc basis at the rates decided in the order dated 20.6.2006.

5. The respondents while objecting to the submissions of the petitioner reiterated the order of the Commission dated 20.6.2006 and sought reduction in the provisional tariff for the period beyond 31.3.2007 on the ground that the petitioner failed to obtain approval of the completion cost of the generating station and to file petition for approval of final tariff even after three years from the date of its commercial operation.

6. We have considered the rival submissions. We are convinced that the delay in filing the final tariff petition is for the reasons beyond the control of the petitioner. In view of the fact that there has been abnormal delay in completion of the dam and other related works of the generating station even after commissioning of all the six units, in May 2004 and the pendency of the Govt. of India approval of the completion cost, we have decided to allow provisional tariff of the generating station for the year 2007-08.

7. The petitioner vide its affidavit dated 9.8.2007, has submitted documents certified by Chartered Accountants in support of the capital expenditure and gross block as on the date of commercial operation as follows:

(Rs in lakh)

Date	18.5.2004(DOCO)	31.3.2005	31.3.2006	31.3.2007
Gross Block	768198	813537	809653	820913

8. Thus the petitioner has incurred actual expenditure of Rs.768198 lakh as on the date of commercial operation of the generating station which is

comparable to the RCE- II approved cost of Rs. 766631 lakh. Hence we allow the provisional tariff for the generating station for the year 2007-08, considering the RCE-II approved cost of Rs.766631 lakh.

9. Based on the approved capital cost of RCE-II, the Annual Fixed Charges for the year 2007-08 work out to Rs.127812.08 lakh, as per calculation sheet enclosed. The higher tariff claimed, if any, in the year 2007-08 shall be adjusted by the petitioner.

10. The petitioner by its letter dated 21.8.2007 has stated that the Govt. of India vide its letter dated 14.8.2007 has approved RCE-III of Rs.818771 lakh as completion cost of the generating station.

11. We direct the petitioner to file the petition for final tariff of the generating station for the period 2004 to 2009, immediately, based on the approval of final completion cost by the Govt. of India, along with the report of the Standing Committee on time and cost overrun of the generating station.

12. With the above directions, the present I.A is disposed of.

(RAKESH NATH)
MEMBER(EO)

(BHANU BHUSHAN)
MEMBER

New Delhi dated the 5th September, 2007