

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram :

1. Shri Ashok Basu, Chairman
2. Shri G.S. Rajamani, Member
3. Shri K.N. Sinha, Member

Petition No. 91/2002

In the matter of

Fixation of two-part tariff of Doyang Hydro Electric Project of NEEPCO

And in the matter of

North Eastern Electric Power Corporation Ltd.

... Petitioner

Versus

Assam State Electricity Board, Guwahati & Others

... Respondents

The following were present:

1. Shri Parag P. Tripathy, Sr. Advocate, NEEPCO
2. Shri S. Mishra, Advocate, NEEPCO
3. Shri Melcolm D. Roy, ED (Comml.), NEEPCO

ORDER

(DATE OF HEARING: 1.4.2003)

The Commission had issued a notice for personal appearance of CMD of the petitioner company, NEEPCO on 1.4.2003, as the petitioner had not complied with the directions of the Commission to file certain additional information. Shri Parag P. Tripathy, Senior Advocate, who appeared on behalf of the petitioner submitted that an affidavit had already been filed along with the details asked for.

He also brought to our attention another affidavit filed by the petitioner seeking exemption from personal appearance of the CMD. As the directions of the Commission stood complied with, we had dispensed with personal appearance of the CMD.

2. It was submitted before us that the project was declared under commercial operation w.e.f. 10.7.2000. The tariff for sale of power from the project as per the proposal contained in the petition works out to more than Rs. 7 per unit. In view of the exorbitant cost, the constituents of the North-Eastern Region had not opted for purchase of power from this project. It was submitted that certain discussions had been held with Ministry of Power who had vide its letter dated 22nd Jan, 2003 given guidelines for charging of tariff for the power supplied from the project @ Rs. 2 per unit with escalation @ 5% every year.

3. Representative of the petitioner requested the Commission for fixation of tariff for sale of power from the project provisionally at Rs. 2 per unit on the date of commissioning of the project, which may be escalated @ 5% every year in accordance with the guidelines contained in Ministry of Power letter dated 22nd Jan 2003, until financial package of Doyang HEP was finalized and approved by the Central Government. The representative of the petitioner could not explain the rationale for arriving at the rate of Rs. 2 per unit. However, in view of the prayer made by the representative of the petitioner and the peculiar circumstances prevailing in the NE Region, we accept the proposal of the petitioner and approve

the provisional tariff @ Rs. 2 per unit from the date of commercial operation of the project, that is, 10.07.2000, with a further direction for escalation @ 5% per year. The provisional tariff approved by us shall be subject to a further condition that in the first instance, offer for sale of power at the rate approved, shall be made to constituent states of the NE Region. However, if the constituent states or any of them do not agree to the offer made, the petitioner shall be at liberty to sell the share of power of the concerned constituent(s) to a utility or the utilities outside the region at a mutually agreed rate, which shall not be lower than the rate approved by us. The petitioner is at liberty to negotiate with the respondents the payment mechanism for sale of power supplied from Doyang HEP.

4. It was explained that the petitioner was still in the process of working out a suitable financing plan for the project. The representative of the petitioner informed that the proposal for approval of financial package for the project would be submitted to the Government in due course. He requested for time up to 30.9.2003 for filing of complete details of the approved financial package. We allow time as prayed for. The petitioner is directed to file the necessary details afresh after approval of the financial package within the time allowed.

5. List this petition on 21st October 2003 along with petition No 87/2001.

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(G.S. RAJAMANI)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 17th April, 2003