

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Shri Ashok Basu, Chairman  
2. Shri K.N. Sinha, Member  
Petition No. 27/2003**

**In the matter of**

Provisional Approval of Generation Tariff of Chamera HE Project Stage – II  
Under Regulation 79(I) of the CERC (Conduct of Business), Regulations, 1999  
and Section 13 of the ERC Act, 1998.

**And in the matter of**

National Hydroelectric Power Corporation Ltd.	...	<b>Petitioner</b>
<b>Vs</b>		
Punjab State Electricity Board and others	...	<b>Respondents</b>

**The following were present:**

1. Shri A.K. Tandon, Sr. AE, UPPCL
2. Shri K.K. Mittal, XEN (ISP), RVPNL
3. Shri J.S. Bhargava, AE(Jal), RVPNL
4. Shri Mahesh Chandra, UPCL
5. Shri R.K. Arora, XEN/T, HVPN
6. Shri T.P.S. Bawa, SE, PSEB
7. Shri R.K. Sharma, Director (Tech.), NHPC
8. Shri S.K. Agarwal, GM(Comml.), NHPC
9. Shri Prashant Kaul, CE, NHPC
10. Shri Sachin Datta, Advocate, NHPC
11. Er. P. Kumar, DM(E), NHPC
12. Shri T.K. Mohanty, SM(Law), NHPC
13. Shri Ansuman Ray, Engineer, NHPC
14. Shri S.K. Meena, Engineer, NHPC
15. Shri Sheeshpal, NHPC
16. Shri Niti Singh, NHPC
17. Shri Deepak Chopra, Advocate, UPPCL

**ORDER  
(DATE OF HEARING: 12.8.2003)**

The petition has been filed by National Hydro Power Corporation for approval of provisional fixed charges of Rs.229.82 crores, to be billed as capacity charges and primary energy charges for Chamera Hydroelectric Project Stage II

(Chamera II) for the period from 1.7.2003 to 31.3.2004, subject to necessary adjustment with retrospective effect that may be required depending upon final approval of tariff by the Commission on the tariff petition to be filed by the petitioner separately. 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 ten monthly instalments in the tariff. It is further prayed that incentive/disincentive, development surcharge and other parameters may be allowed to be recovered as prescribed in the Commission's notification dated 26.3.2001.

2. It is stated that Chamera II, comprising three units of 100 MW each was sanctioned to be executed at a cost of Rs.1684.02 crore. The cost is exclusive of the provision for contingency of 13% of main civil work cost escalation as per bid specification and foreign exchange rate variation from 14.9.1998. After accounting for these terms, the petitioner has calculated the total sanctioned cost of Rs.1925.19 crore.

3. When the petition was filed, the anticipated date of completion of the project was stated to be 1<sup>st</sup> July 2003 and hence approval of provisional tariff was sought from that date. At the hearing before us, however, the representative of the petitioner submitted that Unit I of Chamera II has been test-checked and would be synchronised within a week's time. He submitted that Unit II and Unit III are likely to be synchronised during September, 2003 and October 2003 respectively. The petitioner has filed an affidavit stating that an expenditure of Rs.1754.75 crore had

been incurred up to July 2003 which includes the expenditure for the period ending 31.3.2003 certified by the auditors, though the anticipated completion cost of the project will be Rs.1960.20 crore. The tariff of Rs.229.82 crore for the period from 1.7.2003 to 31.3.2004 has been worked out based on Rs.1754.75 Crore.

4. Some of the respondents have filed replies to the petition. It is, however, not necessary for us to consider the issues raised therein for the reason discussed in the next para.

5. During the course of hearing, Shri R.K. Sharma, Director, NHPC has placed before us an extract from minutes of 130<sup>th</sup> meeting of NREB held on 14.6.2003. According to these minutes, in the meeting of TCC held on 13.6.2003 the petitioner had projected an estimated tariff of Rs.2.80 per unit from Chamera II. However, it was proposed by the petitioner that pending issuance of tariff notification by the Commission, the beneficiaries could pay for the energy generated from Chamera II provisionally at a composite rate of Rs.2.28/kWh. It was further proposed that the payment would be subject to adjustment after fixation of tariff by the Commission from the date of commissioning of the project. The constituent states had agreed to the proposal of the petitioner. The decision of TCC was endorsed by NREB in its meeting held on 14.6.2003. At the hearing before us, it was clarified that single part tariff of Rs.2.28/kWh would not affect scheduling and despatch of the power generated from the station when ABT is in force.

6. In view of the agreement arrived at NREB forum, we approve provisional tariff of Rs.2.28/kWh from the date of commercial operation of Chamera HEP Stage II. In addition, the petitioner shall be entitled to development surcharge, incentive/disincentive and other payments in accordance with the Commission's notification dated 26.3.2001 subject to directions, if any, of the superior courts. 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 the three units.

6. With this order, of Petition No. 27/2003, stands disposed of.

Sd/-  
**(K.N. SINHA)**  
**MEMBER**

New Delhi dated the 14<sup>th</sup> August 2003

Sd/-  
**(ASHOK BASU)**  
**CHAIRMAN**