

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

RECORD OF PROCEEDINGS

Petition No.108/2010

- Subject: Approval of generation tariff for Loktak Hydroelectric Project for the period from 1.4.2009 to 31.3.2014.
- Date of hearing: 17.8.2010
- Coram: Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member
- Petitioner: NHPC Ltd
- Respondent: ASEB, Dept. of Power, Govt. of Arunachal Pradesh, ED, Govt. of Mizoram, TSECL, MeSEB, ED, Govt. of Manipur, ED, Govt. of Nagaland.
- Parties present: Shri Sachin Datta, Advocate, NHPC
Shri N.K.Chadha, NHPC
Shri Prashant Kaul, NHPC
Shri A.K.Tewari, NHPC
Shri S.K. Meena, NHPC
Shri Ansuman Ray, NHPC
Shri M.M.Mishra, NHPC
Shri K.K.Goel, NHPC
Ms. Reshma Hemrajan, NHPC
Ms. Niti Singh, NHPC
Shri M.K.Adhikary, ASEB
Shri K.Goswami, ASEB

This petition has been filed by the petitioner, NHPC for approval of tariff for Loktak Hydroelectric Project (hereinafter referred to as "the generating station") for the period from 1.4.2009 to 31.3.2014, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as 'the 2009 regulations').

2. The representative of the petitioner submitted as under:
- (a) The petition has been filed taking into account the capital cost as approved by the Commission in order dated 10.2.2010 in Petition No. 191/2009.
- (b) A projected additional capitalization of Rs 39.33 crore for the period 2009-14. has been claimed.

(c) The additional information sought for by the Commission, had been filed and copies served on the respondents.

3. The representative of the respondent, Assam Power Distribution Co. Ltd, (APDCL) submitted as under:

(a) A detailed reply has been filed and copy served on the petitioner.

(b) Despite the direction of the Commission to complete renovation and modernization of the generating station so as to restore the installed capacity to 105 MW by 31.3.2008, by order dated 4.10.2006 in Petition No. 171/2006, the petitioner has still considered the re-rated capacity of 90 MW, for calculation of capacity index.

(c) Most of the claims of the petitioner pertain to R&M works under the head 'additional capitalization' even though the 2009 regulations provides for claim under separate heads. The claims for R&M expenditure shall be made under Regulation 10 of the 2009 regulations and not under 'additional capitalization.'

(d) Detailed objections to the claim for additional capital expenditure have been submitted in the reply, which may be considered by the Commission.

4. In response, the learned counsel for the petitioner clarified as under:

(a) Rejoinder to the reply filed by the respondent APDCL has been filed.

(b) The capacity index has been replaced by PAF with effect from 1.4.2009 which is computed and finalized by NERPC which issues the Regional Energy Accounts. CEA has allowed time extension upto 15th September, 2010 for restoration of installed capacity to 105 MW and the same has been brought to the notice of the Commission.

(c) Since R&M works of the generating station are in progress, the projected additional capital expenditure for 2009-14 has been claimed for ongoing R&M works, which are expected to be capitalized during 2009-14.

5. The Commission directed the petitioner to submit the following information on affidavit, latest by 13.9.2010, with copy to the respondents, as under:

(a) The date of restoration of full capacity of units 2 and 3 of the generating station;

(b) Expected date of restoration of full capacity of Unit 1.

6. Subject to the above, order in the petition was reserved.

sd/-
T. Rout
Joint Chief (Legal)

Page 2 of 2