

**CENTRAL ELECTRICITY REGULATORY COMMISSION**

**NEW DELHI**

**Coram:**

- 1. Shri D.P. Sinha, Member**
- 2. Shri G.S. Rajamani, Member**
- 3. Shri K.N. Sinha, Member**

**Petition No. 8/2001**

In the matter of

Approval of Foreign Exchange Variation in respect of Uri HE Project of NHPC for the year 2000-2001.

And in the matter of

**National Hydro Electric Power Corp. Ltd.**

....

**Petitioner**

**Vs**

- 1. Punjab State Electricity Board**
- 2. Haryana Vidyut Prasarann Nigam Ltd**
- 3. Delhi Vidyut Board**
- 4. Uttar Pradesh Power Corporation Ltd**
- 5. Rajasthan Rajya Vidyut Prasarann Nigam Ltd**
- 6. Himachal Pradesh State Electricity Board**
- 7. Power Development Department, Govt, of J&K**
- 8. Power Deptt., Union Territory of Chandigarh**

....

**Respondents**

The following were present

1. Shri S.K. Agarwal, CE (Tariff), NHPC
2. Shri A.K. Jain, Addl CE(Comml), RVPNL
3. Shri V.K. Gupta, SE(ISF), RVPNL
4. Shri R.C. Mehta, XEN (ISF), RVPNL
5. Shri R.K. Arora, XEN (Tariff), HVPN
6. Shri Gurcharan Singh, Sr. AO/EE, HVPN

**ORDER (DATE OF HEARING  
5.7.2001)**

National Hydro Electric Power Corporation (NHPC), the petitioner filed this petition on 12<sup>th</sup> February 2001 for approval of Foreign Exchange Rate Variation

in respect of Uri Hydroelectric Power Project for the year 2000-2001 on account of repayment of loan and interest payment.

2. The terms and conditions and tariff for power supply from Uri HEP Project of the petitioner for the period from 1.4.98 to 31.3.3002 were notified by Ministry of Power vide Notification No. F.N.2/9/NHPC/Tariff/98A/ol.IV dated 14<sup>th</sup> May 1999. This notification was issued by the Ministry of Power by virtue of powers under Section 43 A (2) of Electricity (Supply) Act, 1948 and based on Notification dated 30<sup>th</sup> March 1992 which prescribes the general principles for tariff determination. Central Government is the competent authority to determine the effect of Foreign Exchange Rate Variation at the end of each financial year, as per the notification dated 14.5.1999 the Foreign Exchange Rate Variation in respect of this project up to the year 1998-99 has already been notified by the Ministry of Power and record by the petitioner from the beneficiaries. Foreign Exchange Rate Variation for the year 1999-2000 has been approved by this Commission vide its order dated 7.12.2000 in Petition No. 26/2000.

3. As per submission made by the petitioner in the petition, extra rupee liability towards loan repayment and interest payment directly arising out of Foreign Exchange Rate Variation paid by NHPC during the year 2000-2001 aggregate to Rs. 33,19,05,994/- which is payable to NHPC by the respondents in the proportion of power drawn from Uri HEP Project.

4. Respondent No. 1 (Punjab State Electricity Board), 4 (UP Power Corporation Ltd), 5 (Rajasthan Rajya Vidyut Prasaran Nigam Ltd) filed their replies to the petition. The respondents have generally submitted that certain information like original approved cost, revised cost estimate, approval of CEA on revised cost estimate for the project, schedule of repayment of loan, have not been furnished by NHPC and also the foreign exchange conversion rate has not been certified by statutory authority of Govt, of India/RBI and the amount claimed is not duly certified by any statutory authority.

5. In its rejoinder NHPC has submitted that the figures of loan repayment as well as interest on loan mentioned in the document of SBI have been examined and duly audited by an independent auditor. The petition has been filed after the last installment of loan as well as interest on the loan due during the year 2000-2001 have been paid in full by the petitioner and these figures are final. So far as rate of foreign exchange conversion is concerned, they are same as taken by State Bank of India in their document submitted along with the petition (Appendix A-F). Further, the contention of RVPNL that the respondent be allowed to make payment within three months (of raising of bills) by their petitioner is not tenable as the respondent is bound to comply with the provisions of tariff notification dated 14.4.1999 issued by Govt, of India, Ministry of Power under proviso to Section 43 A(2) of Electricity (Supply), Act, 1948 and not in pursuance of Govt, of India Notification No. SO-251(E) dt. 30.3.1992. Therefore, any variance between

the two is not relevant in respect of this petition. In view of this, the objections raised by the respondents in their preliminary submissions failed to survive.

6. Govt, of India notified tariff for Uri HEP vide Notification No. 2/9/NHPC/Tariff/98 Vol.IV dt. 14.5.99 for the period from 1.4.98 to 31.3.2002. As per clause 3 of the notification, the effect of Foreign Exchange Rate Variation to be paid to NHPC by the beneficiaries was to be determined by the Central Government at the end of each financial year. The central government through the notification dated 14.5.99 has already decided the payment on account of Foreign Exchange Rate Variation for the year 1997-98 and 1998-99. The Commission vide its order dated 7.12.2000 in Petition No. 26/2000 has decided the Foreign Exchange Rate Variation for the year 1999-2000.

7. We have heard Shri S.K. Agrawal, CE (Tariff), NHPC on behalf of the petitioner and also the representatives of PSEB, HVPNL and RVPNL. Shri R.K. Arora, appearing for HVPNL prayed that at least two months time may be granted for making payments of bills which may be raised to the petitioner consequent to the Commission's order. We are not inclined to delve into this issue.

8. We, therefore, direct that the respondent shall make payment of Rs.33,19,05,994/- as claimed by the petitioner on account of foreign exchange rate variation in terms of prayer (a) of the petition. We leave it to the parties to

settle the time schedule for payment of dues which form the subject matter of this petition.

(K.N7SINHA) MEMBER

New Delhi dated the 31<sup>st</sup>  
January 2002

/

(G.S. RAJAMANI)  
MEMBER

  
(D.P. SINHA)  
MEMBER