

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 63 of 2010

Subject: Fixation of Tariff in respect of sale of power from Doyang Hydro Electric Project (3 x 25 MW) of North Eastern Electric Power Corporation Limited (NEEPCO), Shillong for the period from 1.4.2009 to 31.3.2014.

Date of hearing : 15.12.2011

Coram: Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M. Deena Dayalan, Member

Petitioner: NEEPCO

Respondents: Assam State Electricity Board and others

Parties present: Shri M.G.Ramachandran, Advocate, NEEPCO
Ms. Swapna Seshadri, Advocate, NEEPCO
Shri Pradeep Kumar Singha, NEEPCO
Shri N.Chakaborty, NEEPCO
Shri A.N.Dev Choudhary, APDCL
Shri K.Goswami, APDCL
Shri Subhas Chakraborty, TSECL

Record of Proceedings

This petition has been filed by the petitioner, NEEPCO, for fixation of tariff in respect of sale of power from Doyang Hydro Electric Project (3 x 25 MW) (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.

2. The learned counsel for the petitioner submitted as under:

- (i) The construction of the generating station, situated in the State of Nagaland was completed with great difficulty, thereby involving time and cost over-run. Proper justification for the delay in the project has been submitted, which may be considered by the Commission.

- (ii) The entire details in respect of the area of construction, the expenditure incurred and Action Taken Report on the recommendations of the Standing Committee have been furnished.
- (iii) The Commission may take into consideration the difficulties faced by the petitioner to commence the operation of the generating station and allow the time and cost over-run involved in the project, while determining the capital cost of the generating station.
- (iv) The tariff of the generating station has been claimed in accordance with the 2009 regulations, with reduction in the Return on Equity.

2. The representative of respondent No.1, APDCL (*erstwhile ASEB*) submitted as under:

- (i) Reply to the petition has been filed which may be considered by the Commission.
- (ii) The tariff of the generating station may be determined by the Commission taking into consideration the interest of the consumers while allowing recovery of cost to the petitioner, in a reasonable manner.
- (iii) The tariff of the generating station may be determined either in terms of the Government of India letter dated 13.3.2009 or the 2009 regulations of the Commission, whichever is lesser.
- (iv) The delay in commissioning the project is attributable to the petitioner and hence the claim towards cost and time over-run may not be considered. .
- (v) The petitioner may be directed to inform as to whether the cost of dam includes the radial gates or not and if it was included, whether these radial gates are in operation and if it is not in operation, what was the energy loss. Moreover, details of the design energy may be made available by the petitioner.

3. The representative of the respondent No.3, TSECL mainly submitted as under:

- (i) The petition for determination of tariff filed by the petitioner is barred by limitation in accordance with the provisions under

Section 62(5) of the Electricity Act, 2003. Moreover, the tariff claimed is not in accordance with law and cannot be considered with retrospective effect.

- (ii) The capital cost of the project may be determined in accordance with the provisions of the CEA tariff notifications 1992 and its subsequent amendments during 1994.
- (iii) The petitioner has not submitted the techno-economic clearance appraisal along with the tariff petition.
- (iv) Time may be granted to file a detailed reply on affidavit.

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

- (a) Adequate justification with details has been submitted in the petition with regard to the delay in the commencement of the project and the time and cost over-run on account of this was beyond the control of the petitioner.
- (b) Information as regards the operation of radial gates and the design energy achieved has been submitted by the petitioner, which may be considered.
- (c) The tariff of the generating station may be allowed as prayed for in the petition.

5. The respondent No. 3, TSECL is directed to file its reply on affidavit, on or before 29.12.2012, with copy to the petitioner, who may file its response by 5.1.2012.

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

Sd/-
(T. Rout)
Joint Chief (Law)