

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 154/2010

Subject : Approval of Generation Tariff of Indira Sagar Power Station (8 X 125 MW) for the period 1.4.2009 to 31.3.2014.

Date of hearing : 11.10.2011

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

Petitioner : NHDC Ltd.

Respondents : MPPTCL and Narmada Valley Development Department (NVDA)

Parties present : Shri Ashish Jain, NHDC
Shri Anurag Seth, NHDC
Shri Manoj Dubey, MPPTCL
Shri M.L. Agrawal, NVDA

Record of Proceedings

This petition has been filed by the petitioner, NHDC for approval of Generation tariff of Indira Sagar Power Station (ISPS) for the period 1.4.2009 to 31.3.2014 (herein referred to as "the generating station") in terms of regulation 10(1) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter 'the 2009 regulations').

2. The representative of the petitioner made his submissions in terms of the amended petition filed on 20.7.2010. In addition to this, the representative of the petitioner submitted as under:

- (a) The effect of increase in R&R cost may be considered in tariff at the time of truing-up.
- (b) The net power component (excluding un-discharged liability) as on 31.3.2014 is ₹3213.50 crore, which is within the approved power component of ₹3527.54 crore.

- (c) The Normative Plant Availability Factor (NAPAF) of the generating station may be re-fixed as 75% considering that the generating station is a big storage type station where water head for power generation varies from 65 M at FRL to 46 M at MDDL and consequently, the machine output varies from 125 MW at FRL to 85 MW at MDDL.

3. The admitted design energy correspondent to Stage-I is 1980 MU. The respondent No.2, Narmada Valley Development Department (NVDA) may be directed to notify the date of termination of Stage-I and commencement of Stage-II, (with a design energy of 1095 MU) of the generating station, since the substantial portion of the main canal has been constructed by the said respondent and developed its irrigation command.

4. In response to the above, the representative of the respondent No.2 NVDA, submitted as under:

- (a) Even though the main canal has been constructed, minor and distributory work is still in process.
- (b) The generation is more than the design energy of 1980 MU for the last two years.
- (c) Filling of reservoir beyond 260 M (to 262.13 M) is still in dispute.
- (d) Until irrigation is developed, the commencement of Stage-II as prayed for may be deferred.

5. On being pointed out by the Commission that the commencement of Stages of the generating station was related to the net worth, the representative of the respondent No.2 clarified that water utilization work was under process and Stage-II could commence operation soon.

6. The representative of the respondent No.1, MPPTCL submitted as under:

- (a) The amended petition has been filed after completion of more than two years and hence, the petitioner may be directed to file actual/audited figures of additional expenditure, to avoid uncertainty and retrospective revision of tariff and to keep the impact of tariff revision to bare minimum. This is in line with the spirit of the 2009 regulations and the Statement of Reasons which form part of the 2009 regulations.
- (b) The claim of the petitioner in respect of boundary wall, buildings, and F-type quarters do not form part of the actual

cost of the generating station and may not be permitted under Regulation 9(2)(iv) of the 2009 regulations.

- (c) Land for reservoir shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciation.
- (d) The claim of the petitioner for average rate of interest ranging from 9.0223% to 9.1533% is higher and may not be allowed.
- (e) The O&M expenses claimed by the petitioner are not in accordance with Regulation 19(f)(iv) of the 2009 regulations.
- (f) The respondent may be permitted to file its reply to the rejoinder filed by the petitioner.

7. The prayer of the respondent No.2, MPPTCL to file its reply to the rejoinder of the petitioner was rejected, since the respondent had already filed its reply to the petition and no fresh facts/issues have been raised by the petitioner during the hearing.

8. The Commission reserved its order in the petition.

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