

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 82/2011**

**Coram: Dr. Pramod Deo, Chairperson  
Shri M.Deena Dayalan, Member**

**Date of Order: 5.12.2011**

**In the matter of**

Grant of provisional tariff for Teesta-V Hydroelectric Project (510 MW) for the period from 1.4.2009 to 31.3.2014.

**And**

**In the matter of**

Approval of generation tariff of Teesta-V Hydroelectric Project for the period from 1.4.2009 to 31.3.2014.

**And**

**In the matter of**

NHPC Ltd, Faridabad

**.....Petitioner**

Vs

1. West Bengal State Electricity Distribution Company Ltd, Kolkata
2. Damodar Valley Corporation, Kolkata
3. Jharkhand State Electricity Board, Ranchi
4. Bihar State Electricity Board, Patna
5. Department of Power, Govt. of Sikkim, Gangtok
6. Grid Corporation of Orissa Limited, Bhubaneswar

**.....Respondents**

**ORDER**

The petitioner, NHPC Ltd, has filed this petition for determination of generation tariff of Teesta-V Hydroelectric Project ('the generating station') for the period 2009-14 in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 Regulations").



2. The Commission by its order dated 5.1.2010 in Petition No. 132/2009 had determined the tariff of the generating station for the period from 1.3.2008 to 31.3.2009 based on the approved capital cost of ₹248943.71 lakh, after excluding un-discharged liabilities. Subsequently, the petitioner filed Petition No. 216/2009 for revision of tariff of the generating station on account of additional capital expenditure incurred during 2008-09 and the Commission by its order dated 8.6.2011 disposed of the said petition as under:

*"8. Accordingly, this petition along with the interlocutory application (I.A. 2/2011) is disposed of with a direction that the petitioner is at liberty to approach the Commission with an appropriate petition for revision of tariff for the generating station in accordance with the 2004 regulations, based on the approved RCE, which would be considered in accordance with law"*

3. Keeping in view the order dated 8.6.2011 in Petition No.216/2009, the petitioner was advised to submit the Revised Cost Estimate (RCE) for the instant generating station. The petitioner by its affidavit dated 25.8.2011 has submitted that the RCE of the generating station is yet to be approved by the Ministry of Power, Government of India, and the billing was being done provisionally as per Regulation 5(3) of the 2009 regulations. The petitioner also submitted that the tariff of the generating station has been delayed due to the non-submission of approved RCE and has prayed that the Commission may grant provisional tariff for the generating station, in line with Regulation 5(4) of the 2009 regulations.

4. Regulation 5 (4) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2011 provides as under:

*"(4) Where application for determination of tariff of an existing or a new project has been filed before the Commission in accordance with clauses (1) and (2) of this regulation, the Commission may consider in its discretion to grant provisional tariff upto 95% of the annual fixed cost of the project claimed in the application subject to adjustment as per proviso to clause (3) of this regulation after the final tariff order has been issued:*

*Provided that recovery of capacity charge and energy charge or transmission charge, as the case may be, in respect of the existing or new project for which provisional tariff has been granted shall be made in accordance with the relevant provisions of these regulations."*

5. The petitioner has filed the petition in compliance with Clause (1) and (2) of Regulation 5 of the 2009 regulations. In view of the submissions made by the petitioner, we consider the grant of provisional tariff of the generating station for the period from 1.4.2009 to 31.3.2014 as stated in the subsequent paragraphs, pending determination of final tariff.

6. As Petition No.216/2009 was disposed of due to non-submission of the approved RCE, the closing capital cost of ₹248943.71 lakh as on 31.3.2008 (approved vide order dated 5.1.2010 in Petition No.132/2009) has been considered as closing capital cost as on 31.3.2009. The sanctioned capital cost of the project is ₹250049.90 lakh and the additional capital expenditure for 2009-10 has been restricted to the difference between the sanctioned and approved cost i.e ₹1106.19 lakh ₹(250049.90-₹248943.71) lakh. No additional capital expenditure has been allowed for the years 2010-11, 2011-12, 2012-13 and 2013-14. Other parameters have been considered as per the provisions of the 2009 regulations.

7. The annual fixed charges claimed by the petitioner for the period 2009-14 are as under:

	<i>(₹ in lakh)</i>				
	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Annual Fixed charges claimed	50345.76	51281.90	51327.02	51173.36	51015.80

8. After carrying out prudence check, we allow the provisional fixed charges of the generating station for the period 2009-14, based on the capital cost of ₹248943.71 lakh as under:

	<i>(₹ in lakh)</i>				
	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Annual Fixed charges claimed	47265.65	47337.85	47070.89	46829.82	46616.06

9. The provisional fixed charges allowed as above is subject to truing-up in terms of Regulation 6 of the 2009 regulations.

10. The provisional fixed charges allowed as above is subject to adjustment as per proviso to Clause (3) of Regulation 5 of the 2009 regulations, after final tariff order has been issued.

11. The provisional tariff determined by this order shall remain in force until further orders or till the final tariff is determined by the Commission, whichever is earlier.

12. The petitioner is directed to amend the petition for revision of tariff for the generating station in accordance with the 2009 regulations, based on the approved RCE, which would be considered in accordance with law.

*Sd/-*  
**[M.DEENA DAYALAN]**  
**MEMBER**

*Sd/-*  
**[DR.PRAMOD DEO]**  
**CHAIRPERSON**

