

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Docket No. 22/GT/2011**

**Coram: Dr. Pramod Deo, Chairperson  
Shri S.Jayaraman, Member  
Shri V.S.Verma, Member  
Shri M.Deena Dayalan, Member**

**Date of Order: 13.8.2012**

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**IN THE MATTER OF**

Approval of tariff of Chamera Hydroelectric Project, Stage-III for the period from 1.7.2012 to 31.3.2014.

**AND**

**IN THE MATTER OF**

Grant of provisional tariff of Chamera Hydroelectric Project, Stage-III for the period from 1.7.2012 to 31.3.2014.

**AND**

**IN THE MATTER OF**

NHPC Ltd, Faridabad

**...Petitioner**

Vs

1. Punjab State Electricity Board, Patiala
2. Haryana Power Purchase Centre, Panchkula
3. BSES-Rajdhani Power Ltd, New Delhi
4. BSES-Yamuna Power Ltd, New Delhi
5. North Delhi Power Ltd, Delhi
6. Uttar Pradesh Power Corporation Ltd, Lucknow
7. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
8. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
9. Uttarakhand Power Corporation Ltd, Jaipur
10. Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur
11. Himachal Pradesh State Electricity Board, Shimla
12. Ajmer Vidyut Vitaran Nigam Ltd, Ajmer
13. Engineering Department, UT Secretariat, Chandigarh
14. Power Development Department, Government of J&K, Srinagar ...**Respondents**

## ORDER

The petitioner, NHPC Ltd, by its affidavit dated 29.8.2011, has filed this petition for approval of tariff of Chamera Hydroelectric Project, Stage-III ('the generating station') for the period from 1.9.2011 to 31.3.2014 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, (hereinafter referred to as "the 2009 Tariff Regulations").

2. During the pendency of the said petition, the petitioner has filed this interlocutory application (I.A.No.31/2012) for revision of Annexure-I of the petition, with the anticipated date of commercial operation of the generating station as 1.7.2012. By order dated 27.6.2012, the prayer of the petitioner for revision of Annexure-I with the anticipated date of commercial operation of the generating station as 1.7.2012 was allowed and the interlocutory application was accordingly disposed of.

3. Subsequently, the petitioner vide its affidavit dated 6.7.2012 has submitted that out of the total three units of the generating station, Units I and II were commissioned on 30.6.2012 and with the commissioning of Unit-III on 4.7.2012, the project has been declared commercially operational with effect from 4.7.2012, as per Regulation 3(12)(b) of the 2009 Tariff Regulations. It has also submitted that in the absence of the tariff order for the generating station, the petitioner would not be able to bill for the power supplied to the beneficiaries and has prayed that the provisional tariff may be allowed in terms of Regulation 5(4) of the 2009 Tariff Regulations, subject to adjustment after tariff is finally approved by the Commission.

4. Regulation 5 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 this petition in compliance with Clauses (1) and (2) of Regulation 5 of the 2009 Tariff Regulations and the same has been amended vide interlocutory application No. 31/2012 which has been allowed by order dated 27.6.2012 . The petitioner has published the notice in the newspapers as regards its filing of the tariff petition and served copies of the petition on the beneficiaries. Reply from none of the respondents has been received. Since the petitioner has complied with the provisions of Clauses (1) and (2) of Regulation 5 of 2009 Tariff Regulations, we propose to grant provisional tariff from the date of commercial operation of the generating station i.e from 4.7.2012 till 31.3.2014.

#### **Time and Cost overrun**

6. The question of time overrun and cost overrun involved in the project would be examined at the time of determination of final tariff of the generating station.

#### **Capital Cost**

7. The project was sanctioned during September, 2005 at an estimated cost of `1405.63 crore including Interest During Construction (IDC) and Financing Charges

(FC) of `119.66 crore at February 2005 price level. The petitioner has submitted that the Revised Cost Estimate (RCE) for `2084 crore has been submitted to the Ministry of Power, Government of India for approval and the same is awaited.

8. The petitioner has submitted that the capital cost of the project as on 1.7.2012 is `201772 lakh excluding un-discharged liabilities of `4905 lakh. Since RCE is yet to be approved by the Government of India and due to the involvement of time and cost overrun in the project, 85% of the actual cost of `201772 lakh, which works out to `171506 lakh (excluding un-discharged liability of `4905 lakh) is allowed for the purpose of determination of provisional tariff for the period from 4.7.2012 to 31.3.2014.

9. The calculations for Return on Equity, Interest on Working Capital and Depreciation has been considered as per the provisions of the 2009 Tariff Regulations. The weighted average rate of interest on loan of 7.127% for 2012-13 (4.7.2012 to 31.3.2013) and 9.419% for 2013-14 has been considered in calculation of Interest on loan.

10. The NAPAF of the generating station is considered as 85% for the period 4.7.2012 to 31.3.2014.

11. The petitioner has claimed annual fixed charges for the period from 1.7.2012 to 31.3.2014 as under:

	<i>(` in lakh)</i>	
	<b>4.7.2012 to 31.3.2013</b>	<b>1.4.2013 to 31.3.2014</b>
Annual Fixed Charges	27365.66	40091.86

12. After carrying out due prudence check, we allow the provisional annual fixed charges for the generating station, based on the capital cost of `171506 lakh as under.

*(` in lakh)*

	<b>1.7.2012 to 31.3.2013</b>	<b>1.4.2013 to 31.3.2014</b>
Annual Fixed Charges	23062.70	33375.42

13. The petitioner shall revise the figures in the petition based on the Revised Cost Estimate approved by the Ministry of Power, Government of India and the same will be considered in accordance with law.

14. The provisional annual fixed charges allowed above is subject to adjustment as per proviso to Clause (3) of Regulation 5 of the 2009 Tariff Regulations

Sd/-  
[M.DEENA DAYALAN]  
MEMBER

Sd/-  
[V.S.VERMA]  
MEMBER

Sd/-  
[S.JAYARAMAN]  
MEMBER

Sd/-  
[DR.PRAMOD DEO]  
CHAIRPERSON