

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 156/GT/2013**

Subject: Approval of Generation Tariff of URI-II HE Project for the period from the anticipated COD of 01.12.2011 to 31.03.2014.

Date of hearing: 17.9.2013

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

Petitioner: NHPC Limited,

Respondents: Power Development Department, Govt of J&K & 12 others

Parties present: Shri Parag Saxena, NHPC  
Shri S.K. Meena, NHPC  
Ms Gayatri Devi, NHPC  
Shri R.B. Sharma, Advocate, BRPL  
Shri Padamjit Singh, PSPCL

**RECORD OF PROCEEDINGS**

This petition has been filed by the petitioner, NHPC for approval of generation tariff in respect of URI-II HE Project (the generating station) for the period from the anticipated COD of 01.12.2011 to 31.03.2014.

2. During the hearing, the representative of the petitioner, NHPC submitted as under:
  - (a) The Interlocutory application based on the anticipated COD i.e. 01.02.2013 of the project for revision of tariff was filed on 31.12.2012.
  - (b) The Revised Cost Estimate (RCE) shall be submitted for approval of the Central Government after commissioning of project.
  - (c) Additional information as sought for by the Commission has been submitted and copies have been served on the respondents.
  - (d) The task of vetting of Capital cost by independent agency has been awarded to M/s Aquagreen Management Private Ltd., New Delhi on 11.01.2013.
  - (e) Rejoinder to the reply filed by the respondent, PSPCL has been submitted.
  - (f) The delay in completion of the project was due to various reasons as submitted in the petition which are beyond the control of the petitioner and the same may be considered.
  
3. The representative of the respondent, PSPCL referred to his reply and mainly submitted as under:
  - (i) As the approved Revised Cost Estimate (RCE) has not been submitted, the tariff of the generating station cannot be determined at the stage,
  - (ii) The original scheduled date of completion of the project was 01.11.2009. Against this the revised DOCO is 01.02.2013, thereby resulting in a time over run of 38 months. This aspect may be considered.

- (iii) The petitioner may submit the figures of capital cost duly audited and certified by the statutory auditors.
  - (iv) The Commission may consider the grant of provisional tariff as deemed fit. However, in this event the original approved cost should be taken into consideration,
  - (v) Time to file reply may be granted
4. The learned counsel for the respondent, BRPL referred to the reply and submitted as under:
- (a) Copy of the IA filed by the petitioner has not been received. The petitioner may be directed to provide copy of the same.
  - (b) While the petitioner has submitted that the generating station would be declared in the month, Sept 2013, the tariff has been claimed as per Auditor's report for the month of December, 2012.
  - (c) The petitioner has not substantiated by any documentary evidence, the reasons for the delay in completion of the project within the time period of 51 months. The delay is attributable to the petitioner and hence, the time over run in the completion of the project may be disallowed.
  - (d) No documents to substantiate the alleged claim of the petitioner as regards law and order problems leading to disruption of construction activities has been filed by the petitioner.
  - (e) In the absence of the approved cost estimate, provisional tariff may be limited to the approved sanctioned cost of ` 1724.79 crore including IDC and FC.
  - (f) The reply filed in the matter may be considered.
5. In response, the representative of the petitioner clarified as under:
- (i) Copy of the IA has been served on the respondent, BRPL,
  - (ii) The reasons for time and cost over run have been explained in detail and its beyond the control of petitioner,
  - (iii) Increase in cost of the project is justified considering the project's remote locate, tough weather condituions and other unavoidable circumstances like flood, public litigation, geological surprises etc.
  - (iv) The Commission may consider the grant of provisional tariff for the generating station based on the approved estimated cost.
6. The Commission directed the petitioner to submit the following information on affidavit, latest by **04.10.2013**:
- (a) The original PERT chart clearly indicating the start date, activities involved till COD of different units, scheduled time for each activity, Critical Path Activities and float available in each of the defined activity. The PERT chart corresponding to the actual time taken against each defined activity till commissioning/COD of different units.
  - (b) All relevant documents submitted to the designated agency with regard to vetting of capital cost, as per guidelines prescribed in CERC notification dated 02.08.2010.

(c) The unit-wise COD and the latest actual capital expenditure, duly certified by auditor

7. The Commission also directed the respondent, PSPCL to file its reply with copy to the petitioner, on or before 04.10.2013. Rejoinder, if any, shall be filed by the petitioner by 10.10.2013. Subject to above, order in the petition was reserved.

By order of the Commission

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